



Daily Report

LAST ISSUE

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LAST ISSUE

East Asia

FBIS-EAS-96-162
Tuesday
20 August 1996

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Daily Report

East Asia

FBIS-EAS-96-162

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Southeast Asian Banks Agree To Increase Forex Cooperation

BK1908051996 Bangkok THE NATION in English
19 Aug 96 p B1

[Report by Chiwamon Kanoksin]

[FBIS Transcribed Text] Phuket — Commercial banks in Southeast Asia agreed over the weekend to bolster their foreign exchange [forex] cooperation to cope with the market volatility and with the globalization of the foreign exchange markets, said the president of the Thai Forex Club.

Following a meeting of the third Forex Southeast Asia Forum, Sombun Chinsuwannanon said Singapore has been assigned to improve forex training for other member banks, Indonesia to coordinate in data and information exchange, Thailand to take responsibility over market practice in forex dealings, and Malaysia to work on new financial products.

This private sector cooperation, albeit loosely structured, represents an effort by commercial banks in this region to stay in touch with the increasingly sophisticated foreign exchange markets. Already the central banks and monetary authorities in Southeast Asia have entered into a cooperation on information exchange, market intelligence and surveillance.

"Central bank cooperation is an all embracing process, which extends far beyond just mutual liquidity support," added Roengchai Marakanon, the Bank of Thailand governor.

Regional cooperation among the market players in foreign exchange trading and among the monetary authorities have emerged as a visible force in the face of growing sharp volatilities in the foreign exchange

markets, which affects the monetary policy of Southeast Asian countries.

The theme of the forex Southeast Asian Forum was "Emerging Markets" because all the members are considered emerging markets, which have been radically affected by the sharp movement of capital inflows. There were 100 participants from all major banks in Southeast Asia, 40 of whom came from Singapore alone.

Thirachai Phuwanat-naranuban, director of the central bank's Financial Institutions Supervision and Development Department, said the emerging markets need capital inflow to fill in their lack of sufficient domestic savings, forcing domestic interest rates up higher than in the international market in order to attract the foreign funds.

Yet excessive capital inflow can bring about instability, leading to bulging money supply and escalating asset prices. "Banks tend to lend too easily because they mistakenly feel the comfort of having their collateral appreciating," said Thirachai. "This will lead to the problem of bad loans a few years down the road."

The emerging markets also face the problem of how to channel the foreign funds into the productive sector of the economy instead of financing speculative or consumption activities.

"If you expect the market by itself to do the job of efficiently allocating the resources by way of interest rates as the pricing mechanism, you may be in for a surprise," Thirachai said. Often speculative activities, particularly those related to real estate and the stock market can easily bid higher rates temporarily because of the "unusually high short-term gains."

Japan

Japan: Defense Chief Wants Okinawa Drills Relocated in FY97

OW1908125496 Tokyo KYODO in English
1239 GMT 19 Aug 96

[FBIS Transcribed Text] Shizuoka, Japan, Aug. 19 KYODO — Defense Agency chief Hideo Usui said Monday he wants to realize the relocation of U.S. artillery drills from Okinawa Prefecture to five sites outside Okinawa during the coming fiscal year ending in March 1998.

"We will make efforts that the drills will not have to be held in Okinawa anymore from fiscal 1997," Usui told a news conference in Shizuoka, Shizuoka Prefecture.

Usui is currently touring five prefectures with alternative sites for the U.S. live-fire exercises to seek their cooperation, but met with skepticism in Shizuoka and outright opposition in Kofu, Yamanashi Prefecture.

Shizuoka Gov. Yoshinobu Ishikawa urged Usui to take into account the views of local residents before realizing the planned relocation of part of the drills to a local Ground Self-Defense Force (GSDF) range.

Ishikawa noted that the Higashifuji Range is the most widely used on the main island of Honshu, constituting a major burden on neighboring towns and villages, but refrained from clarifying the prefectural stance on the plan.

"As of now, the prefecture has not yet come to the point of saying yes or no because it has not been made clear what kind of drills would actually be relocated here," Ishikawa told a news conference.

Ishikawa's colleague in Kofu, Yamanashi Gov. Ken Amano, whom Usui visited first, was much more outspoken, rejecting the defense chief's request that some of the artillery drills be held at the local Kitafuji Range in the future.

In a meeting at the Yamanashi Prefectural Government Building in Kofu, Usui asked Amano to accept the proposal "in order to reduce the burden on Okinawa," local government officials said.

Amano said, however, that the local Kitafuji Range had been the site of similar military drills to those conducted in Okinawa, and that the prefecture could not accept further drills at the range, the officials said.

The Japan-U.S. Joint Committee decided in a special meeting Aug. 12 to shift U.S. live-fire artillery drills from Camp Hansen in Japan's southernmost prefecture of Okinawa to five GSDF facilities, with the drills not to exceed a total 35 days a year.

The three other sites are the Yausubetsu Range in Hokkaido, the Ojojihara Range in Miyagi Prefecture and the Hijudai Range in Oita Prefecture. Those prefectures have also voiced opposition to the plans.

The U.S. drills in Okinawa Prefecture involve firing live shells over a section of Okinawa Prefectural Highway 104 which has to be closed during the exercises.

About 75 percent of all Japanese land for U.S. military use is located in Okinawa, which accounts for just 0.6 percent of Japan's total land area. The proposed shift of the artillery drills is part of a plan to lighten Okinawa's burden of U.S. military bases.

Usui will visit the three other prefectures by next Monday to urge them to accept the proposed shift.

After the meeting with Amano, Usui told reporters it was "indispensable" to obtain the understanding of the localities before implementing the shift of the U.S. artillery drills.

The central government will continue to seek understanding of the localities, Usui said.

Japan: Official on Solution of Okinawa Base Issue
OW1908105596 Tokyo CHUO KORON in Japanese
Sep 96 pp 144-149

[Interview with Masuo Morotomi, director general of the Defense Facilities Administration Agency (DFAA), by Pumie Kusayanagi, newscaster: "How to Promote Realignment, Consolidation, and Reduction of the U.S. Military Bases in Okinawa Prefecture"; published as government public relations material by the DFAA]

[FBIS Translated Text]

The Necessity of the Japan-U.S. Security Arrangement and the U.S. Forces in Japan

[Kusayanagi] The media has been playing up the Okinawa base issue since last fall, and, at the same time, the Defense Facilities Administration Agency has been brought to the fore. You accepted the post of the agency's director general last October, when you were in the turmoil over the bases issue. In fact, I do not know much about the agency. What role does the agency play?

[Morotomi] It is true that the public has not known much about the agency. The agency mainly performs the following five functions: (1) purchase, lease, and management of land and buildings used by the Self-Defense Forces or the U.S. Forces in Japan; (2) assistance to people around defense facilities for soundproofing their hospitals, schools, or residences; (3) construction of official residences, military complexes, and others used

by the Self-Defense Forces or the U.S. Forces in Japan; (4) labor management of Japanese employees working for the U.S. Forces in Japan; (5) maintenance of U.S. Forces facilities in Japan as well as sharing of Japanese employees' wages.

[Kusayanagi] According to your explanation, the agency's work seems to have a lot to do with the U.S. Forces in Japan. The Japan-U.S. Security Treaty is behind the stationing of the U.S. Forces in Japan. However, do you think that the Japan-U.S. security arrangement and the presence of the U.S. Forces in Japan are necessary even after the end of the Cold War between the East and the West?

[Morotomi] Although you refer to the end of the Cold War, I think the Japan-U.S. Security Treaty and the presence of the U.S. Forces in Japan are more important than ever.

They are indispensable for the peace and security of our country, and the fact is that Japan is protected by a combination of Japan's own, proper self-defense potential and the U.S. military power with the U.S. Forces in Japan as the center. The fact that the Japan-U.S. Security Treaty is playing a major role in the defense of Japan as well as for the peace and security in the Far East has not changed even since the end of the Cold War.

Moreover, the Japan-U.S. Security Treaty forms the nucleus of the Japan-U.S. relationship, which is important to Japan. We must enhance the reliability of the Japan-U.S. security arrangement more than ever for the security of Japan and the Asia Pacific region. I would like to earnestly emphasize its importance.

[Kusayanagi] However, it seems to me that there is no direct relationship between the importance of the Japan-U.S. security arrangement and the presence of the U.S. military bases in Okinawa Prefecture.

[Morotomi] I have already mentioned the significance of the presence of the U.S. Forces in Japan in accordance with the Japan-U.S. Security Treaty. The Japan-U.S. security arrangement is necessary for the maintenance of peace and security in Japan and the Asia Pacific region.

As you know, there are still unstable elements in countries and areas surrounding Japan, like the PRC, Taiwan, Russia, and the Korean peninsula. Given the presence of such countries and areas, the presence of the U.S. Forces in Okinawa is very important from a geopolitical viewpoint. I would, by all means, like you to understand its importance.

Okinawa Prefecture Governor Masahide Ota has an understanding of the importance of the Japan-U.S. security arrangement itself.

[Kusayanagi] Now I understand the importance of the Japan-U.S. Security Treaty. Nevertheless, we have an impression that U.S. military bases are concentrated in Okinawa. How extensive are the U.S. bases in Okinawa, compared with those in Mainland Japan?

[Morotomi] U.S. military bases are located in various parts of Japan. However, as you say, the combined area of the bases in Okinawa is the largest of all the prefectures.

As of 1 January 1996, the area of the U.S. military facilities in Okinawa Prefecture was about 23,500 hectares (Aomori Prefecture has the second largest area of U.S. military facilities — about 2,360 hectares).

The U.S. military area in Okinawa accounts for about 75 percent of all the U.S. military facilities in Japan; about 10 percent of Okinawa Prefecture's total land area; about 18 percent of the main island of Okinawa Prefecture.

At any rate, I know very well that military bases are concentrated in the central and southern parts of the main island and that they are a serious difficulty to the inhabitants' lives in these areas.

The central government knows their pain, so it is making a frantic effort to promote realignment, consolidation, and reduction of the U.S. military bases in Okinawa.

Fall Enforcement of Action Taken by SACO [Japan-U.S. Special Action Committee]

[Kusayanagi] Are the realignment, consolidation, and reduction making progress?

[Morotomi] About 16 percent of the base area at the time of Okinawa's reversion to Japan in 1972 has already been returned. However, there are still many problems remain to be solved.

Since SACO was organized between Japan and the United States last November, aggressive studies have been conducted concerning the base issue.

When U.S. President Clinton visited Japan in April this year, SACO released its interim report. The report includes "return of land," like [Marine Corps Air Station] Futenma; "curtailment of training" in Okinawa through relocation to Mainland Japan of live-fire drills over Prefectural Route 104; "curtailment of noise"; "operational improvement of the Status of Forces Agreement" and others items.

SACO's final report will be released in November, and if those items mentioned above are fully implemented, about 20 percent of the U.S. facilities area in Okinawa will be returned.

I would like you to understand that the government is working for the full implementation of those projects with all its might.

Conditions for Return of Futenma Air Station and Relocation of Live-Fire Drills

[Kusayanagi] I think SACO's main themes will be the return of land and curtailment of training.

[Morotomi] That is right. Therefore, we are striving especially for the return of Futenma Air Station and for the relocation of the live-fire drills over Prefectural Route 104 to Mainland Japan.

Futenma Air Station will be returned within 5-7 years after sufficient, substitute facilities have been completed. For this purpose, heliport facilities must be constructed in other U.S. military facilities and areas in Okinawa Prefecture, and, at the same time, the KC-130 Hercules refueling aircraft based at Futenma Air Station must be transferred to the U.S. Marine Corps Iwakuni Air Station in Yamaguchi Prefecture. Through such measures, the functions and capabilities performed by Futenma Air Station will be maintained. To satisfy these prerequisites, we are currently holding conferences with the relevant local self-governing bodies.

At any rate, to solve the bases issue as soon as possible, we are making efforts to Okinawa prefectural representatives attend these conferences.

[Kusayanagi] Concerning the relocation to Mainland Japan of the live-fire drills over Prefectural Route 104, when can we have a solution to this problem?

[Morotomi] There will be several relocation sites, and we are trying to decide the relocation sites in August.

[Kusayanagi] I hear that people in relocation sites in Mainland Japan are raising strong opposition.

[Morotomi] The shooting range in live-fire drills is a little less than five kilometers. There are only nine sites in Mainland Japan that can accommodate live-fire drills of this range. We are thinking of reducing the burden borne by Okinawa Prefecture as soon as possible through an agreement with the United States and with the understanding of the people in the relocation sites.

I would like the people of the candidate sites to have an accurate understanding of the circumstances of relocation.

First, relocation is strictly the relocation of live-fire drills, not the transfer of U.S. Forces. Some media has reported that there will be a transfer of U.S. Forces, but that is not the case.

U.S. troops that conduct live-fire drills will go to the relocated sites from Okinawa and then return to Okinawa when the drills are over. We will see to it that their stay in Mainland Japan is of minimum duration. As a result, live-fire drills will be conducted in Okinawa once a month for several days; for a total of more than 30 days a year. Furthermore, thorough safety measures will be taken as in the case of the Self-Defense Forces' drills.

I repeat that if a certain number of drills are conducted in Mainland Japan, Okinawa's burden will be lightened to that degree. I would like you to consider the feelings entertained by Okinawan people to this day, and I would like to have your understanding by all means.

Delay of Lease Procedures and the Problem of "One Tsubo" [3,954 sq. yds.] Collective Landowners

[Kusayanagi] By the way, a very serious issue at present is the problem of lease procedures, which was brought to the fore because of Okinawa Governor Masahide Ota's refusal to sign by proxy. It seems that the procedures are facing rough going.

[Morotomi] That is right. To be exact, that is the procedural problem based on the Law on Special Measures for U.S. Military Land.

When Japan suffers a military attack by other countries, the U.S. forces are to defend the country in accordance with the Japan-U.S. Security Treaty. On the other hand, Japan, under the same treaty, is to provide bases or training sites for the U.S. Forces on a continuing basis. It is natural for Japan to do so because Article 98 of the Constitution of Japan obligates it to observe treaties.

Concerning private and public land, it is a basic principle to conclude a lease contract with a landowner and then lease his land from the standpoint of protecting the person's property rights. In Okinawa Prefecture, there are 31,980 landowners who own land on the U.S. military bases, of whom 28,978 landowners [90.6 percent] have concluded lease contracts. However, the remaining 3,002 landowners have yet to conclude contracts.

Concerning these landowners who have yet to conclude contracts, the central government must acquire title to their land through basically the same procedures as the Compulsory Purchase of Land Act on the basis of the Law on Special Measures for U.S. military land.

Following the same procedures, the central government has acquired title to their land three times since 1982.

However, as you know, the problem of Governor Masahide Ota's refusal to sign by proxy written evidences about land property to be submitted to Okinawa's prefectural land expropriation committee was brought into court. In March this year, after four months of deliberation, the Fukuoka High Court handed down a decision in favor of the central government.

At the subsequent stage of publishing the related papers on the central government's behalf, again many municipal governments and the prefectural government refused to cooperate with the central government.

For this reason, the central government is in the process of ordering Governor Ota to perform his duties concerning this matter. If the case is submitted to the court again, it will take several months for the court to settle the case.

[Kusayanagi] If all landowners conclude contracts, there will be no situation like this.

I hear that most of the landowners who refuse to conclude contracts are the so-called "one tsubo" collective landowners. What are their actual situations?

[Morotomi] It is true that of the 3,002 landowners who refused to conclude contracts, 2,885 people are "one tsubo" collective landowners. There are 2,265 people who own land on Kadena Air Base, and 620 people who own land on Futenma Air Station. They are landowners of two important air bases.

If the area of the land owned by these "one tsubo" landowners is divided by the number of these landowners, the area per person stands at 0.9 square meters [95 square centimeters] in Kadena's case, and 0.1 square meter [30 square centimeters] in Futenma's case.

Of the 3,002 "one tsubo" landowners, nearly half the number — 1,406 — are residents of Mainland Japan, not Okinawa Prefecture.

If the Solution of the Base Issue Is Delayed, It Will Become an International Issue

[Kusayanagi] Due to the delay of the solution because of procedural matters, a lease with the central government of 11 U.S. military facilities, including Kadena Air Base and others, is going to expire on 14 May 1997. If the solution is delayed, I think that the same problem as the Sobe communications facility will occur again.

[Morotomi] A lease of a plot of land in the Sobe communications facility expired on 31 March this year, and an unstable legal situation was produced. The landowner of this plot of land demanded entry into his

land, which is in a facility with extremely high secrecy — the so-called "elephant cage." The landowner was allowed to enter the cage twice with the cooperation of the U.S. Forces.

However, to enhance the reliability of the Japan-U.S. security arrangement, we must prevent the same thing from happening in numerous facilities, like Kadena Air Base and others.

Such a situation may impair the reliable relationship between Japan and the United States. In this sense, we can say it is the responsibility of the Japanese government to solve the bases issue.

[Kusayanagi] I have often visited Okinawa, which I like very much because of its land and natural features. It is true that military bases are located in geographically diverse and desirable places. At present, what is most required of us is to understand the feelings of the Okinawan people.

[Morotomi] That is right. We must realize the realignment, consolidation, and reduction of the U.S. military bases in Okinawa as soon as possible. The first step is the return of Futenma Air Station and the relocation of the live-fire drills over Prefectural Route 104 to Mainland Japan.

Concerning the provision of land for the U.S. military bases, we would like to make a concerted effort to solve the problem through heart-to-heart talks with the people concerned, including Okinawa's Governor Masahide Ota. And we would like to steadily promote the solution of the current problems. We will make an all-out effort and we would like the general public to understand our intentions.

Japan: SDP's Sato Interviewed on U.S. Military Bases on Okinawa

*OW2008001296 Tokyo YOMIURI SHIMBUN
in Japanese 19 Aug 96 Morning Edition p 3*

[YOMIURI SHIMBUN interview with Kanju Sato, secretary general of the Social Democratic Party; place and date not given]

[FBIS Translated Text] [YOMIURI SHIMBUN] What have you to say about the Social Democratic Party's [SDP] approach to issues related to U.S. military bases on Okinawa?

[Sato] Since some officials in Hawaii and Guam have said they are willing to accept them (U.S. military bases), we would like to pursue further lightening the Okinawan people's burden of military bases. Also, since peace and stability on the Korean peninsula will lead to the realignment and reduction of U.S. military bases on

Okinawa, we would like to make diplomatic efforts to that end.

[YOMIURI SHIMBUN] What are your views on opposition voiced by the local authorities and residents of sites where some military bases or functions are to be relocated in line with the realignment and reduction of military bases?

[Sato] They (local authorities and residents) are afraid of military bases remaining there permanently or semipermanently. The greatest problem is the relocation of runways (helipads to be constructed to replace them) at Futenma Air Station. The Okinawan prefectural government and people will not tolerate what appears to them as the construction of new military bases. It will be difficult (to have the relocation plan realized) unless the central government gives due consideration to the planned relocation site and the scale of the replacement facilities.

[YOMIURI SHIMBUN] What is your opinion of Okinawa Governor Masahide Ota's refusal on proxy signing and public notification and circulation of documents related to the compulsory use of land for military purposes?

[Sato] My understanding is that Ota's explanation that the situation does not allow him to easily sign the documents is one way to make them (the general public) understand the reasons Okinawans are questioning why only Okinawa Prefecture is being forced to shoulder nearly the entire burden (of the Japanese-U.S. security arrangement).

[YOMIURI SHIMBUN] What do you feel is wrong with the existing system of compulsory use of land for military purposes?

[Sato] There are problems in that there is no deadline set for (prefectural) land expropriation committees (for their consultations) and in that no one knows what will happen if they (the committee members) all quit. However, if we were to fix those problems by changing the law, that would be tantamount to enlarging the ring when you are about to step out of it and lose in a sumo wrestling match. That is not acceptable.

[YOMIURI SHIMBUN] Do you think it is necessary to enact special legislation?

[Sato] If a special law were to be enacted and the central government were to expropriate land by exercising its authority, that would cause an extremely large crack in the relationship of mutual trust between the central government and the Okinawa prefectural government. I believe that would only complicate the problem, throwing us into confusion. I feel that (before we can

think about special legislation) we will have to first wait and see how they (the prefectural government authorities) will act after seeing the Supreme Court's decision (on the proxy signing issue). I think this is a walk-do-not-run case.

[YOMIURI SHIMBUN] There is a possibility that lease contracts involving approximately 3,000 landowners will expire next May. What is your opinion on that?

[Sato] I think the problem could be settled by then (the expiration date, next May). I feel we still have enough time.

[YOMIURI SHIMBUN] Do you think that such matters as the possibility of enacting special legislation for expropriating land on Okinawa could affect the political situation?

[Sato] The SDP is the biggest party in the ruling coalition administration of Governor Ota as well as a member of the ruling coalition administration of Prime Minister Ryutaro Hashimoto. From this standpoint, we want to try to have Okinawa's views reflected in our country's policies as much as possible. I feel we (the ruling coalition parties) can reach mutual agreement. I do not think this problem will substantially affect the political situation at the national level.

[YOMIURI SHIMBUN] What about the impact of the Supreme Court decision or the Okinawa prefectural referendum?

[Sato] I think that, in its ruling, the Supreme Court will express its opinion on the concentration on Okinawa of the U.S. military presence, which is based on the Japanese-U.S. security arrangement. The prefectural referendum will be held immediately after that, and public conscience will further mount. I think it will be an opportunity for people on the mainland to clearly realize that they have forced the burden on the Okinawan people for a long time.

[YOMIURI SHIMBUN] What is your opinion of the central government's economic development plan for Okinawa?

[Sato] Considering the great burden we have forced on Okinawa Prefecture, I believe it is permissible to proceed with implementing deregulatory measures with utmost priority for Okinawa and turn Okinawa into a sort of special economic zone.

Japan: Government To Set Up Panel on U.S. Base Problems in Okinawa

OW2008052596 Tokyo KYODO in English
0434 GMT 20 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 20 KYODO — The government will convene a new panel this month to discuss problems facing municipalities in the southernmost Japanese prefecture of Okinawa related to the local heavy presence of U.S. military bases, a government spokesman said Tuesday.

The 11-member panel of experts, headed by Haruo Shimada, a Keio University professor of economy, will work as a private advisory body to Chief Cabinet Secretary Seiroku Kajiyama and is expected to submit recommendations to him in six months' time, Kajiyama said.

The entity would listen to complaints, requests and other voices from Okinawa municipalities over the U.S. bases and discuss how to promote local communities where the U.S. military is located, he told a press conference.

Okinawa Prefecture, which consists less than 1 percent of Japan's total land area, is home to 75 percent in land area of all U.S. bases stationed in Japan.

Japan: MOF To License Insurers Despite Pending Talks With U.S.

OW1908123696 Tokyo KYODO in English
1142 GMT 19 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 19 KYODO — Vice Finance Minister Tadashi Ogawa said Monday life and nonlife insurers entering each other's markets will be licensed despite pending negotiations with the United States on the opening of Japan's insurance market.

Ogawa told a news conference that applications by insurance companies to do business in new markets will be reviewed swiftly in accordance with a new insurance law that went into effect in April, and licenses will be awarded despite the deadlocked talks with the U.S.

But he quickly added that applications for the entry into disputed areas will be carefully reviewed to prevent a radical change in the business environment there as provided for in the new law.

The new law allows life and nonlife insurance companies to enter each other's market through subsidiaries.

The Finance Ministry has allowed six major life insurers and 11 nonlife insurers to establish subsidiaries to do business in the other's market.

The impasse in the negotiations with the U.S. stems from Japan's move to liberalize the third sector which

covers disease, accident and other areas where foreign insurance companies have a strong position.

The U.S. is urging a three-year freeze on new entries into the accident insurance sector of the Japanese market while the Japanese government intends to let life insurers' nonlife insurance subsidiaries start selling accident insurance policies at an early date.

Japan: Trade Minister Doubts Fairness of U.S. Antidumping Probe

OW2008052096 Tokyo KYODO in English
0442 GMT 20 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 20 KYODO — Japanese trade minister Shumpei Tsukahara voiced doubts Tuesday about the fairness of a U.S. Government antidumping investigation into supercomputer imports from Japan.

"I strongly hope the U.S. Government will adequately deal with the investigation," International Trade and Industry Minister Tsukahara said at a news conference after a cabinet meeting.

But he added, "I cannot help feeling concerned about the fairness and transparency, given a series of moves made by the U.S. Government and Congress."

The U.S. Commerce Department said Monday that it has initiated the antidumping investigation, which is primarily aimed at NEC Corp.'s supercomputer deal with a federal research institute.

Even before launching the probe, the Commerce Department had voiced suspicions of dumping by Japanese suppliers, following a complaint by leading U.S. supercomputer maker Cray Research Inc.

Cray claims NEC offered to sell four supercomputer systems for 65 million dollars below their cost price to a research agency funded by the National Science Foundation, a charge the Japanese computer maker denies.

The U.S. House of Representatives passed a bill in June, which would effectively block the purchase of NEC supercomputers by the research body.

Officials at the Ministry of International Trade and Industry are taking the investigation calmly, saying it is basically a matter of U.S. domestic law.

Japan: Ministry To Invite 5,000 Fulbright Educators

OW2008091696 Tokyo KYODO in English 20 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 20 KYODO — The Education Ministry will invite 5,000 American

teachers and educational executives to Japan in fiscal 1997-2001 as part of a project to commemorate the 50th anniversary of the Fulbright scholarships, ministry officials said Tuesday.

After the end of World War II, James William Fulbright, a Democratic Party senator from Arkansas, proposed the scholarships for the exchange of students and teachers between the United States and many other countries in the Fulbright Act of 1946.

About 6,500 Japanese and some 1,800 Americans have so far benefited from the exchange scholarship program between Japan and the U.S.

The latest project will be a part of educational and cultural exchange promotion steps agreed on by Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton in Tokyo last April. For this, the ministry will seek a budget of some 1 billion yen, the officials said.

Education Minister Mikio Okuda said, "This project will be made in requittal of the Fulbright Scholarship Program, which helped bring up a variety of capable persons in Japan after the war."

The ministry officials also said they expect this project will contribute to easing Japan-U.S. tensions — such as controversy about lease of land to U.S. military facilities in Okinawa Prefecture and economic frictions — in the hope that teachers who join the project will have favorable effects on their students.

The ministry is planning to provide about 1 billion yen to the Japan-U.S. Educational Commission, the executor of the scholarship.

Japan: MITI Expected To Change Stance on Car Trade Row With Brazil

OW1908115096 Tokyo KYODO in English
1135 GMT 19 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 19 KYODO — The Ministry of International Trade and Industry (MITI) on Monday indicated a possible change in its tough stance in an auto trade dispute between Japan and Brazil following the South American country's compromise offer.

The change can be read in a remark made at a press conference the same day by Tsutomu Makino, vice MITI minister, who said the ministry is engaged in negotiations with Brazil with an eye toward securing practical profits, ministry sources said.

On July 30, Japan filed a complaint with the World Trade Organization (WTO) against Brazil's policy of imposing a 70 percent tariff on car imports. The United States followed suit with a similar complaint.

Brazil raised the tariff to 70 percent from 32 percent in March 1995.

The 70 percent rate is reduced to 35 percent, however, for imports from foreign automakers whose locally assembled vehicles provide a local content ratio of more than 60 percent and which are exporting assembled vehicles from their Brazilian plants.

In governmental talks under the WTO in Geneva last week, Brazil proposed applying a 35 percent tariff to annual imports of up to 50,000 vehicles. Japan's quota subject to the lower tariff is expected to be 23,750 vehicles.

As Brazil imported 32,000 Japanese vehicles in 1995 before its introduction of the high tariff policy, the proposal is unsatisfactory to Japan, the sources said.

But as car exports from Japan to Brazil have virtually stopped since the imposition of the high tariff, the sources said the proposal cannot be brushed aside as worthless.

Nevertheless, Brazil is unlikely to change its policy of giving priority to domestically produced cars over imports. MITI therefore does not intend to withdraw the complaint because it claims that the policy violates WTO rules.

There is a possibility that MITI will seek continuation of governmental talks with Brazil while avoiding establishment by the WTO of a dispute-settlement panel consisting of disinterested parties, the sources said.

Japan: Tokyo Requests Preliminary Talks on Normalization With DPRK

OW1908134396 Tokyo TOKYO SHIMBUN
in Japanese 17 Aug 96 Morning Edition p 3

[FBIS Translated Text] As of 16 August, the government proposed to the DPRK (North Korea) a plan to have Koro Beasho, director of the Northeast Asia Division under the Japanese Foreign Ministry's Asian Affairs Bureau, and Yi Chol-chin, director of the North Korean Foreign Ministry's Japanese Affairs Department, hold preliminary talks in Beijing or a third country as early as the end of August in preparation for resuming bilateral negotiations to normalize diplomatic relations between the two countries. The request was submitted to the North Korean Embassy in Beijing by the Japanese Embassy there.

So far, North Korea has failed to respond. If the Japanese-DPRK subcommittee-level meeting is realized, it will be the third of its kind confirmed for this year, following the talks held last March (in Beijing) and June

(in Tokyo). Both Bessho and Yi met at the previous talks.

Observers believe that Japan has begun probing the possibility of resuming negotiations with North Korea because it has determined that the ROK would not mind if Japan were to resume negotiations with North Korea even before the latter agreed to participate in the four-way talks [among the DPRK, the ROK, the United States, and the PRC] proposed by the ROK and the United States. This is because Japan believes that its relations with the ROK which had been frayed due to a territorial dispute over Takeshima Island and the issue of historical perception were restored following the Japanese-ROK summit meeting (in Cheju Island) last June.

In addition, Japan apparently hopes to contribute to the realization of the four-way talks by taking advantage of the Bessho-Yi talks to urge North Korea to accept the four-way talks.

Japan, for its part, is considering the possibility of raising the level of the Bessho-Yi meeting to that of a meeting between the councillor of the Foreign Ministry's Asian Affairs Bureau and his North Korean counterpart, if some degree of progress is made via the preliminary talks. Japan then hopes to turn the councillor-level talks into a formal, preparatory meeting for resuming diplomatic normalization talks.

However, North Korea has recently taken a tough stance against Japan. For example, it reacted to Chief Cabinet Secretary Seiroku Kajiyama's recent remarks on an emergency on the Korean peninsula and has demanded an apology and compensation from Japan for the latter's alleged "participation" in the Korean War. Thus, observers believe that even if the meeting between Bessho and Yi were to come about, no real progress will likely be made for a while.

Japan: Okinawa To Host East Asia Welfare Ministers' Forum 5 Dec

OW2008051896 Tokyo KYODO in English
0353 GMT 20 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 20 KYODO — Japan will host a meeting on Dec. 5 of welfare ministers from east and Southeast Asian countries in Japan's southwesternmost prefecture of Okinawa, a top government spokesman said Tuesday.

The government hopes for the participation of ministers in charge of social security from countries such as China, South Korea and the members of the Association of Southeast Asian Nations, Chief Cabinet Secretary Seiroku Kajiyama told a press conference.

The gathering aims to allow countries to share their experience and seek ways to cooperate internationally on welfare matters, Kajiyama said.

Japan also hopes the Group of Seven (G-7) industrialized countries, the World Health Organization and other international bodies will take part as observers, Kajiyama said.

The forum will be held in the wake of Japanese Prime Minister Ryutaro Hashimoto's initiative at the June G-7 summit in Lyons, France, to promote international cooperation on welfare.

Japan: Ethiopian Premier Meles To Visit 17-20 Sep
OW2008025096 Tokyo KYODO in English
0159 GMT 20 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 20 KYODO — The government announced Tuesday that Ethiopian Prime Minister Meles Zenawi will pay an official visit to Japan on Sept. 17-20.

Meles is scheduled to hold talks with Japanese Prime Minister Ryutaro Hashimoto on Sept. 18 and to meet Emperor Akihito on Sept. 19, the government said.

Japan: Health Minister To Visit Europe To Study Care of Elderly

OW2008063996 Tokyo KYODO in English
0608 GMT 20 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 20 KYODO — Health and Welfare Minister Naoto Kan said Tuesday he will visit Germany and Denmark next month to study those countries' nursing care systems for the elderly as part of a plan to introduce a similar insurance program in Japan.

During a tour from Sept. 2 to 7, Kan will visit nursing homes for the aged and will talk with government officials responsible for care of the elderly in both countries, he said.

The government plans to submit a bill for a new public insurance scheme to cover care services for the aged.

It had originally intended to submit the bill during the Diet session which ended in mid-June, but failed to do so because of controversy about funding for the insurance system.

Kan also announced that the ministry will hold a forum Aug. 29 in the village of Kugino in Kumamoto Prefecture, southwestern Japan, to obtain public understanding for the insurance plan.

Kan, Kumamoto Gov. Joji Fukushima, representatives of local cities and those who work in nursing facilities will discuss the issue at the forum, he said.

Japan: Official on Changing Role of G-7

OW2008022396 Tokyo GAIKO FORUM in Japanese
Aug 96 pp 65-71

[Interview with Kazuo Ogura, deputy vice minister of foreign affairs, by Sophia University Professor Kuniko Inoguchi, on 2 July 1996: "Global Issues Came to the Fore"; place not given]

[FBIS Translated Text]

Process Leading to the Summit

[Inoguchi] At the Lyon summit, I think that Prime Minister Hashimoto played a significant role as a representative of Asia. He made others more aware of the importance of Asia and of the unstable elements that are unique to Asia. The chairman's final statement at this summit was focused on global issues....

[Ogura] The people are generally interested in statements made at the summit and in the discussions that take place there, but the summit is merely one "process." And this "process" itself is important. The outcome is also important, but the process will have various direct and indirect effects.

The preparatory process was also important again this time. But in two senses it was different from the past. One has to do with the Russian issue. Although this first came up two or three years ago, there was the major problem of how to handle the [Russian] summit participants.

Another difference is that this time, they came up with a clear-cut theme, namely economic globalization. Of course, in previous summits, there had been something similar to a central theme, but this time they came up with a single theme that ran throughout the discussions.

In the preparation process, there was discussion about what the term globalization means. Some said that problems that had emerged as the result of globalization should be discussed. And others held the view that it was important to support the positive effects that have been produced by globalization. In the end, we discussed the results of globalization in both its international and domestic aspects. For example, concerning its international aspects, we discussed the issue of developing countries, and, concerning its domestic aspects, the issue of unemployment. I think it was appropriate for the summit conference to place domestic politics and foreign policy in one framework and to discuss them in the context of the theme of globalization.

[Inoguchi] International cooperation, which also contributes to solving various domestic problems, is important. I think that this was also a summit meeting in which there was some room to think about such areas. The summits have evolved from the past era of solving problems among the G-7 members to an era of talking about the problems of the world. So, since the members are a collection of countries which have, to a certain degree, the strength required to solve world problems, the answer to the question of why others are not included in the membership is clear. As for the issue of Russia, it was dealt with in the form of the G-7 plus one.

[Ogura] As to what globalization means, interdependent international relationships have increased. At the same time, there is also an aspect that various problems have become global. Today, so-called global issues such as terrorism, the environment, nuclear power safety, communicable diseases such as AIDS, and so on, have become very important. To deal with such problems, the summit members feel that Russia can contribute to solving these problems, although this attitude is partially a consequence of the end of the Cold War between the East and the West. This is especially so concerning nuclear power safety and environmental problems. By having Russia participate, we want to have it shoulder part of the responsibility.

But in so-called traditional ODA (official development assistance), trade, and international monetary issues such as currency exchange, Russia is still in a transitional phase, so it cannot discuss these matters at the same level with us.

There were three topics at the summit; political issues, global issues, and economic policy issues. So we neatly took care of Russian participation this time by having Russia join discussions of the first two, but the time was not ripe for the last one. Although in actuality, it was not so simply cut and dried.

[Inoguchi] I think it was a difficult process, because the members had to agree to deal with the summit in three areas, and they also had to agree to participation in the summit based on the stage of economic development.

Originally, when it started in 1975, it was called the economic summit. So if cooperation on macroeconomic policy is the basis, I can understand that some hard choices must be made.

Significance of Today's Summits

[Inoguchi] I think the chairman's statement at this summit caused the countries of the world to recognize that there was such a wide range of global problems. It also played the role of providing each country a mandate to strengthen its policies in each field.

But the public often questions the significance of the summits, which have been going on for about 20 years.

[Ogura] Politics and foreign policy have become less and less influential on the economy. For one thing, I think that regulations have been relaxed, trade and international financing have been steadily liberalized, and economic independence has increased. For another — this is the other side of the coin — business thinking has been exceeding national borders more and more. Take international finance for example. When compared to total world investment, the degree to which central banks can intervene is minute. When the summits began 20 years ago, economic foreign policy, in the broad sense, made an impact on the world economy, but today, its impact is extremely small. Therefore, today, as far as economics is concerned, the pattern has become one of crisis management or preventive diplomacy. The pattern is that if a crisis is likely to occur, the summit will work to prevent such a crisis from occurring. So, since they took no measures to deal with any crisis this time, they were criticized for not being engaged and not taking any action.

Therefore, there are two other directions in which the summit can proceed. One is toward politics and the other, which has not yet been dealt with, is toward global problems. When these two come to the fore, there will be an effort to find noncontroversial ground and to play down the economic sphere. As for the economic declaration at the most recent summit, nothing new was proposed. It happens that this is an election year; the U.S. presidential election will be held, and elections are expected shortly in Japan and Britain. Russia was in the midst of elections. In this sense too, it must have been difficult to take any initiatives for something that would be intended for two or three years ahead.

[Inoguchi] Since the summit has shifted to a pattern of economic crisis management, the more successful it becomes, the fewer crises will occur. Then it will be harder to have the general public understand its utility. For the summit to play the role of behind-the-scenes stabilizer may become the primary task of its meetings. If it fails in crisis management, however, it will have to pay an unmeasurable cost. So, for that reason as well, international society should allow the "routine networking" to remain in place.

Japan's Concern

[Inoguchi] I understand that at this summit Japan exercised its own initiative in some respects.

[Ogura] You mean the issue of the developing countries. That is because Japan is the only country in the world today that is in a position to speak about international

economic contributions in regard to the issue of the developing regions.

In short, it is the concept of partnership. Until now, accompanying the concept that the developed countries provide aid to developing regions, there was also the aspect of a politically hostile relationship between the South and the North, intertwined with the East-West confrontation. In the last four or five years, also as a result of decreased East-West confrontation, the North-South confrontation has been shifting toward a successful partnership.

But to maintain a partnership, there must be an objective. The proposal Japan made was to share a common objective. The specific objective of the partnership would be, for example, a concrete economic and social index such as targeting decreased rates for infant mortality and pregnant women's mortality, or an increased rate for school attendance. The developing regions themselves will aim at such targets and achieve them in co-operation with the developed countries. There was some opposition. But international support has emerged gradually. This was the first initiative that Japan has taken in a long time.

[Inoguchi] That was an important change of course which could become a new opening in the long history of North-South relations. The mid-1970's, when the summits began, was a time when North-South confrontation was very intense so, compared to that period, the situation seems to have changed substantially. It is that the North and the South will share common responsibilities, but the shouldering of the responsibilities could be different. As for the shouldering of different responsibilities, there are many developed countries that dread providing funds as their responsibility. Japan is the only country which can boldly assume the role to propose that [differentiation of responsibilities].

What was especially hard for Japan....?

[Ogura] It was the issue of who should participate in the summit, and in what way, which is a mechanism to determine international positions on economic policy and global issues. I mentioned the Russian problem earlier. Today the countries that have been gaining economic power are East Asian, Southeast Asian, and some Central and South American countries. But those countries are outside the summit. The question is what to think about the with those countries.

At this summit, a certain European leader said that, although we have been carrying out discussions within the G-7, the time has come when we must consider the relationship of mutual economic dependence with

Asia. This presents a significant foreign relations task for Japan too.

In the past, prior to the summit, Japan made the rounds asking Asian countries if they had any requests to convey to the summit, and reported back to them when it was over. One reason was that the economies of the Southeast Asian and East Asian countries depended on the U.S. and Japanese economies. Another reason was that those countries could not easily hold dialogue with the other developed nations. But as APEC (Asia Pacific Economic Cooperation) and ASEM (Asia-Europe Meeting) have taken shape, the leaders of the Asian countries have become able to talk directly with U.S. and European leaders on economic issues in multilateral forums. Consequently, it is no longer the time for Japan to act as mediator between the advanced Western countries and Asia. Then, the significance of Japan's membership in the G-7 summit will change: In order for Asian countries also to shoulder international responsibilities, Japan will have to fulfill its own responsibility by playing an active role on global issues in forums such as the G-7. I think we are at such a junction.

[Inoguchi] You mean that we must change from being a request taker to being a role model. Because what we ourselves do not practice we can not preach to others, we need to have great determination within Japan.

Toward Networking

[Inoguchi] I think that a characteristic of the summit is that its borders are blurry and it can respond flexibly. It has a firm set of executive members, called the G-7, but, to some degree, it also takes in Russia. This is not an organization set in stone, but is of the "network type," which in a sense is adapting to the 21st century in advance. If that is the case, I think it would be good if an expanded leadership meeting could be held — either before or after the summit. For example, a G-7 pre-ministerial conference.

The summit had the effect of establishing deadlines. Because of the summit, countries have quickened the pace of domestic adjustments. Japan is especially a case in point of a country with time-consuming domestic processes. Because we did not want to be embarrassed at the first-class international level, we had to make haste. So we opened our markets, decided on comprehensive economic countermeasures, held frequent U.S.-Japan talks, and so on. In some respects, the summit promotes such actions. If a pre-ministerial conference were to be held, we could even more clearly give priority to the G-7, as the highest leadership conference.

[Ogura] To a certain degree, that has already begun, but that is an idea worth full examination in the future.

[Inoguchi] If we take all self-reliant countries into the G-7, each could become less conscious of the G-7's responsibility and role in responding to global issues. Also making judgments will be harder for individual members, and a "time lag" in responding to incidents and events will emerge.

The same party does not necessarily bring up an issue and take responsibility for finding a solution. We should make the position clear that the G-7 summit is not a body that raises problems, but is a gathering of people who shoulder responsibility for finding a solution.

The next Japan summit will be held in the year 2000. I hope that such a pattern will have been developed by that time. I hope that it will be possible for Asian countries to feel that, because of Japan's presence in the G-7, their positions have been expanded.

[Ogura] What we must think about from now on is how the G-7 is to be involved in the world and the world to be involved with the G-7. Whether to do that before or after the summit is an issue, but its substance is also important. We do not necessarily know how to define global scale issues and how to handle them. We must give thought to where and how to discuss them.

Importance of Scientific Knowledge

[Ogura] What separates global issues definitively from such issues as international finance and trade is that there is such a lack of scientific knowledge concerning them. For dealing with nuclear power, AIDS, ebola fever, or environment, scientific knowledge is important. But we are still groping for such scientific knowledge. Global issues seem to be widespread geographically, but they also have the dimension of extending into the future. So the practical issues of politics, the search for scientific knowledge, and the response to the problems are subtly intertwined.

[Inoguchi] In many cases, it has been too late by the time scientific knowledge is fully developed. We can cite the issues of the destruction of the ozone layer, nuclear power safety, and communicable diseases. It will be too late to respond after complete scientific knowledge has been gained, as was done in the past. In that sense, I think a new understanding is necessary concerning the sense of distance between the acquisition of scientific knowledge and policy.

As a person in academia, I urge the governments which support the G-7 actively to join together with their information and knowledge sectors and strengthen those sectors. Otherwise, the level of knowledge will not keep pace with the urgency of the need for responding to policy. And governments will not be able to come up

with the most effective policies or will not be able to make the most effective choices. We should create a body with a completely different viewpoint around the G-7; a community of intellectuals who specialize mainly in global issues.

The states and governments do not possess a traditional accumulation of knowledge about the new problem areas. It is said that it was the strength of the knowledge and technology "international" on environmental issues which promoted the treaty concerning ozone layer protection. The Japanese intellectual sector will also have to participate in such a movement, and reciprocal action between the intellectual sector and policymakers will have to be increased.

[Ogura] Certainly the only contact point between the G-7 and the citizens is the mass media. There is no contact point with the intellectual sector, the business sector, the financial sector, or the labor sector. It is a serious problem that international organizations are controlled by government officials and politicians, especially government officials. As for the reform of international organizations, we must devise ways for intellectuals, nongovernment organizations, the business sector, and the labor sector to have input in the world political process.

[Inoguchi] Among them, the intellectual sector will become absolutely important in the future. Without discussions backed up by knowledge, we will not be able to respond to the new problems. This is not a matter of tactics and power struggles. In the end, there may be some occasions when national interests might collide. But it will be at a level different from the issues of military affairs and economic interests. Because that is the case, some countries might not feel a sense of urgency. But there is a threat that, unless they deal with such matters, the basis of prosperity and stability will be shaken. A new political process will emerge in areas where cooperation is possible. The notion that human society can cooperate and the recognition that, when such cooperation fails, everyone must pay a great price are already shared by everyone.

Eradication of Poverty Is the Goal

[Inoguchi] Another serious terrorist incident occurred while the summit was in progress, and a special statement was issued. What was your actual feeling at the summit site?

[Ogura] In war, soldiers fight other soldiers with a consciousness of the objectives. But terrorism seeks to harm innocent civilians, so the shock is great. The responsibility of politicians and international politics is also very great in such a situation. The fact that this

issue was again seriously taken up at this summit was because it is a fundamental issue, although it was also partly because the incident happened to have taken place in Saudi Arabia.

Some who resort to terrorism may do so based on their convictions, but others are said to do it for the money. The payment is said to be from several thousand dollars to \$10,000. In other words, we can not ignore poverty as an important factor in the background of today's terrorism. The eradication of such poverty is an important key for the eradication of the terrorism.

It is the same with drugs. The reason that drugs spread throughout the world is because of growers who can not obtain a cash income other than from drug-producing plants, although there are other contributing factors, such as the activities of international criminals.

There is a deep significance in the eradication of the poverty. It leads also to the protection of human rights, the eradication of terrorism, and security in the world. We must enlighten the world's people further as to what the eradication of poverty means. In the economic declaration, however, language on decreasing poverty, rather than on eradicating poverty, was used.

[Inoguchi] The word poverty has the connotation that it occurs in a different and distant world from our own, and we sympathize with the poor and want to help them. But such distance is an illusion, and that poverty could be the origin of a direct threat.

Gap Between Japan And International Society

[Ogura] It is not only Japan but also Europe and the United States that have a great gap between their domestic societies and international society. But the gap in Japan's case has a different meaning. For example, the issues which concern the world today are those of the former Yugoslavia and the Middle East. These are issues people in the world discuss when they get together and drink. But, today in Japan, generally when people get together and drink, there won't be anyone who will discuss the former Yugoslavia and the Middle East.

Then, how do we compensate for such a gap? Although Yugoslavia seems distant from Japan, the Korean peninsula is distant when viewed from Europe. Europeans say about the Korean peninsula problems that "we don't know." To have them become interested in and concerned about Korean peninsula issues, Japan must also take certain actions concerning the former Yugoslavia problem. If Japan becomes interested in what is happening in Europe, Europe will demonstrate its interest in Asia. Such linkage is important. I want the Japanese people to understand that. To transform a distant

issue into a familiar issue; I think that is the political process we need. When G-7 leaders get together, they must work on that process. Japan should take the initiative at the summit. To take the initiative is the best way to close the gap between oneself and others. The more passive one becomes, the harder it is to close the gap with others. The best way to close the gap between Japan and international society is to take the initiative and take on issues.

The leaders of each country serve as contact points between domestic politics and international politics, and everyone agonizes about and takes pains on how to fill the gap at these contact points.

[Inoguchi] A last question. What do you expect from future summits?

[Ogura] Participants should not be arrogant, claiming that the G-7 moves the world. They should not act as if it is the world's leader, rather they should behave modestly and make a contribution to the world. Since interdependent relationships are increasing — our own problems are, in fact, world problems, and world problems are our own problems — it will become necessary to redefine the role of the G-7. That redefinition process will go forward gradually as global issues are taken up and as Russia participates more. I think that as the redefinition process goes further, the role of the G-7 will become clearer.

[Inoguchi] Thank you very much.

Japan: East Timorese Enter Embassy, Leave Without Seeking Asylum

*OW2008090796 Tokyo KYODO in English
0842 GMT 20 Aug 96*

[FBIS Transcribed Text] Jakarta, Aug. 20 KYODO — Two young East Timorese men entered the Japanese Embassy in Jakarta on Tuesday, but left the compound before meeting embassy officials, a Japanese diplomat said.

The diplomat told KYODO News that the two young men in their 20's entered the embassy compound by scaling the walls around noon.

"They told our security officers that they were East Timorese, wanted to seek political asylum and wanted to meet Japanese diplomats," she said.

A gardener brought the men to the embassy security office and asked them to wait.

"But when a Japanese diplomat went to meet them, they had already gone," she said.

Some 84 East Timorese have sought political asylum since last September in foreign embassies, hoping

ultimately for asylum in Portugal or other countries. Last Sunday [18 August], eight East Timorese youths left Indonesia for Portugal after entering the French Embassy on Friday.

Indonesia invaded East Timor in 1975 and annexed it the following year, calling it its 27th province. The United Nations, however, does not recognize the annexation.

Japan: Prime Minister Hashimoto Begins Latin American Tour

*OW2008051496 Tokyo KYODO in English
0355 GMT 20 Aug 96*

[FBIS Transcribed Text] Tokyo, Aug. 20 KYODO — Prime Minister Ryutaro Hashimoto left Tokyo's Haneda airport aboard a special government plane Tuesday for an 11-day trip to five Latin American nations.

Hashimoto will visit Mexico, Chile, Brazil, Peru and Costa Rica in his sixth foreign tour since becoming prime minister in January. He will be the first Japanese premier to visit Costa Rica.

He is expected to discuss plans for bilateral economic cooperation and to ask the nations to support Japan's bid for nonpermanent membership of the UN Security Council in the election for the body later this year, government sources said.

He will also ask them to support Japan's goal of obtaining permanent membership of the council, the sources said.

Latin America is seen as one of the world's centers of growth as a result of its casting off the huge debts that tormented nations in the region during the 1980s.

By forging ties with a region that is growing in importance in the international community, Hashimoto is hoping to demonstrate his administration's desire to promote an independent foreign diplomacy, the sources said.

He will take a rest in Hawaii before returning to Japan on Aug. 30, they added.

Shortly before leaving his official residence, Hashimoto told reporters, "it will be desirable if Japan can offer some help with Latin America's development toward a market economy and with the stabilization of its democratic systems."

Japan also needs to promote ties with Latin America because the region holds a key to global issues such as population, food, energy and environmental protection, the prime minister said.

In addition, Japan has a century-old history of emigration to the area, he said.

Touching on Monday's release of a kidnapped Japanese business executive in Mexico after nine days of captivity, Hashimoto said he was "truly relieved."

He said the incident will not harm Japanese investment in Mexico because it had reassured the Japanese that such cases are properly dealt with in the country.

Japan: Foreign Minister Leaves for Middle East, Hong Kong Tour

OW2008051696 Tokyo KYODO in English
0305 GMT 20 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 20 KYODO — Foreign Minister Yukihiko Ikeda left Tokyo on Tuesday morning on an official trip to four Middle East countries and Hong Kong.

Ikeda's visit to Egypt, Syria, Jordan and Israel is part of Japan's efforts to promote the region's peace process, Foreign Ministry officials said.

He is the first high-level Japanese Government official to visit the Middle East since former Prime Minister Tomiichi Murayama went to the region last September.

In Egypt, he will meet Foreign Minister Amr Mussa, president Hosni Mubarak and Prime Minister Kamal Ganzouri, the officials said.

After moving to Syria, Ikeda will confer with Foreign Minister Farouk al-Shara and Deputy Prime Minister Salim Yassin, the officials said.

The foreign minister may also meet Syrian President Hafiz al-Asad.

In Jordan, he will hold talks with either King Hussein or Crown Prince Hassan, as well as Prime Minister Abdul Karim Kabariti, who is concurrently defense and foreign minister.

After proceeding to Israel on Aug. 25, Ikeda will confer with Foreign Minister David Levy and pay a courtesy call on Prime Minister Benjamin Netanyahu, the officials said.

In the Gaza Strip, he will meet Palestine Liberation Organization leader Yasir 'Arafat, who heads the Palestinian self-rule government, the officials said.

On his way home from the Middle East, Ikeda will make a brief stop in Hong Kong and meet acting Hong Kong Gov. Anson Chan, who is chief secretary of the British colony's Executive Council.

He will return home on Aug. 29.

Japan: Commentator Debunks PRC Arms Buildup
OW2008081496 Tokyo RONZA in Japanese Sep 96
pp 66-71

[Article by ASAHI SHIMBUN staff writer Shunji Taoka: "People Dance on False Information — Talk About China Building Up Arms Is a Pack of Lies"]

[FBIS Translated Text] In November 1989, the Berlin Wall came tumbling down; the following month, in their Malta summit, the top U.S. and Soviet Union leaders declared the advent of the "new age of U.S.-Soviet cooperation;" and in 1991, the Soviet Union collapsed. Around that time, out of nowhere, talk emerged in the United States that "China is building up its military capabilities" or that "there is the danger of Japan becoming a military power." With the Soviet threat diminishing very fast, the U.S. military was desperate in its search for a "replacement" threat that could be used to fight any moves to cut the U.S. Armed Forces. But what was comical was that some news media people and academics in Japan started to say the same kind of thing — very much like other dogs barking when one dog starts to bark.

The trend of thinking this way can be noticed among some Defense Agency people as well, but specialists in general are well aware that the PRC Armed Forces' arms and equipment, such as warships and aircraft, are getting conspicuously outmoded, with not many renewals being made, and that they are decreasing in quantity as well. Even this year's government defense white paper does not write about China "reinforcing" its arms. All that it says is: "China's military modernization is forecast to proceed gradually in the future." That expression is correct at least in that some modernization efforts are actually underway in that country, though at a much slower pace than in Japan, Taiwan, or South Korea.

Despite this, there are people in Japanese news media and academic circles who are loudly saying: "China is building up its military strength." One of them is SANKEI SHIMBUN staff writer Akihiko Ushiba, who writes in that newspaper often citing "international military sources in Tokyo." Even after the PRC failed to influence Taiwan on the outcome of the presidential election through intimidation in March, Ushiba tried to defend the maintaining of U.S. military bases on Okinawa by asserting "China's position has been elevated" by its actions and by insisting that it is "undeniable" that China is building up its arms.

National intelligence agencies and military intelligence departments sometimes conduct an operation called "disinformation." This is an operation to help facilitate

accomplishing another operation or to create a strategically advantageous condition for that operation by giving an enemy false information.

During World War II, the Allied Forces launched their great amphibious operation on northern France's Normandy peninsula on 6 June 1944. However, before that, the British Royal Army had formulated a very detailed fake "operation plan" envisaging landing in July at Calais about 300 km northeast of the actual landing site and had succeeded in getting that plan into the hands of the German command. Given feinting maneuvers of warships bombarding and aircraft stepping up bombing of Calais to make the fake operation plan look real, the German forces were completely deceived, and had most of their defense forces concentrated on and around Calais. Even after the Allied Forces started to land at Normandy, the German forces thought that that landing was a feint, and that the main landing force would come at Calais. That tells how beautifully the fake "operation plan" worked.

During World War I, on 7 May 1915, a German U-boat attacked and sank the British passenger ship *Lusitania*, on its voyage back from New York south of Ireland, sacrificing the lives of 1,098 people including 128 Americans. British officials immediately started a publicity campaign saying "the German Government had issued commemorative medals to celebrate the *Lusitania's* sinking." They produced a large number of what they claimed were "replicas" of the medals and distributed them to the people of the United States. It was a publicity campaign aimed at drawing the United States, a neutral country then, into the war. The campaign succeeded in arousing sentiments among the American people; and American sentiment, thus aroused, led to the United States getting involved in the war two years later.

Well known for their scheming talent, the Britons sometimes use that talent on their own people. For instance, when Britain and Germany were in a race to build warships before World War I, Germany was building battleships and cruisers at the pace of two to four a year while Britain was building five to eight. The British Navy had twice as many main fleet vessels as the German Navy, and four times as many in real combat capabilities.

Still, Muliner [name as published], owner of Coventry Arms Company; Arthur James Balfour, a Tory leader, and others started a ferocious campaign saying that "the German Navy is in a major buildup" or that "Britain was in danger," thus effectively driving the whole nation into a panic. Then, the British Royal Navy's leadership, led by Admiral Fisher, who had earlier

reported to King George V honestly that the British Navy was in an overwhelmingly superior position, announced to the public: "There are undisclosed parts in the German Navy's programs. There is a possibility that the British Navy is behind the German Navy in strength." Subsequently, the British Navy secured a budget that enabled it to order eight main fleet ships a year.

Pros and cons exchanged over the so-called U.S. "gap in the bomber force" after the end of World War II were of the same nature. In May 1955, in an "airshow" at Trushino [name as transliterated] in the outskirts of Moscow, the Soviet Union publicly displayed 12 four-jet-engine M-7 bombers (Bison) and seven four-turboprop-engine TU-95's (Bear), showing the world that the Soviet Union had capabilities to bomb the U.S. continent. Then, the U.S. Defense Department announced that "it is possible that the Soviet Union has greater air power than the United States." That started a fire in the debate in U.S. Congress and news media on whether or not there was "a gap in the bomber force."

Subsequently, the defense budget was drastically raised, and the United States built 2,020 six-jet-engine B-47 bombers. An existing plan for producing eight-engine B-52's was revised to triple the total number of planes for production to 744. Strategic air force units were drastically expanded as well. Actually, the Soviet Union had only a very small number of big bombers in 1955, while the U.S. Air Force already had more than 1,000 B-47's, which meant the "gap" existed in the opposite direction. Thereafter, that gap kept growing, but the U.S. Air Force and the defense industry cleverly stirred up public uneasiness about a Soviet threat. With some of the news media joining the Air Force in hollering about the threat, a type of group hysteria was generated in that country.

All the U.S. Debates on Arms Gaps Are Full of Lies

In 1958, the Soviet Union succeeded in launching a man-made satellite. Thereupon, a great to-do started about the United States having a "missile gap" with the Soviet Union. Then Soviet Premier Nikita Khrushchev went around tactfully boasting: "We are mass-producing intercontinental ballistic missiles (ICBM)." Speaking before U.S. Congress, he openly declared: "The Soviet Union has three times as many ballistic missiles as the United States." That made the United States get frantic to build more strategic missiles. What was later learned was that in 1960, the United States had 50 ICBM's and submarine-launched ballistic missiles while the Soviet Union had only 35. In 1963, the United States had 648 versus 197 for the Soviet Union.

In the United States, after that, the talk of arms "gaps" followed one after another: the "gap in the fighter force," the "gap in the tank force," and the "gap in the naval force." And each time the issue of the gap was raised and debated, the budget on the related sector of arms jumped up; and each time, once the build-up in that sector of arms was completed, it was subsequently determined that the information upon which the initially talked-about gap was based had been erroneous.

If mistakes are repeated, one would expect the news media and Congress to learn a lesson from them, but they never learned, apparently aware that the concerned U.S. defense businesses were powerful members in the congressional election constituencies. Besides, low-quality reporters, whose interests were in writing colorful reports, were more interested in writing about threats than in coolly analyzing situations. They knew threats have a dramatic appeal to the public. And this meant the same kind of fusses were repeated time and again.

As a typical example of a disinformation operation carried out in Japan, we can recall the "Levchenko incident." In October 1979, Soviet KGB Major Stanislav Levchenko defected to the United States by fleeing to the U.S. Officers' Club "Sano Hotel" in Tokyo. Later, in the United States, he disclosed details of his activities in Japan, and writer John Barron summarized the activities in his book, "The KGB Today: Hidden Hands." The book revealed that the KGB had fabricated a "Zhou Enlai will" and handed a copy to SANKEI SHIMBUN assistant editor Takuji Yamane, thus succeeding in having the newspaper carry the text of the will in which Zhou called on China to improve relations with the Soviet Union. According to the book, Levchenko also engaged in activities of information collection, and received from Yamane a copy of the "draft of Prime Minister Fukuda's position" on the Fukuda-Carter Japan-U.S. 3 May 1973 summit. Levchenko was handed the draft copy at a coffee shop near SANKEI and paid Yamane 150,000 yen in return. Levchenko admitted also to having paid 300,000 yen to another reporter from that newspaper.

Sharp Rise in Chinese Defense Spending Is Offset by High Inflation

For the past several years, some news media agencies, particularly SANKEI SHIMBUN, have continued to write that the PRC is beefing up its military might. However, I must say their reports bear some parallels to the fusses made in the past about the "gaps" that were based on false information.

First, let us look at the issue of "a sharp rise in China's defense spending," which is touted as if it were good evidence of the Chinese military power beefing up. Sure,

as far as the superficial numbers are concerned, China's officially announced defense spending went up from 20.13 billion yuan in 1986 to 70.23 billion yuan in 1996, or 3.49 times in the span of 10 years. The growth rates in 1994 and 1995 were 22.4 and 21.2 percent respectively, and if the readers were given these numbers, they would no doubt feel China was making ferocious efforts to build up its military capabilities.

But the fact is that steep inflation plagued China and its consumer prices went up 3.03 times from 1985 to 1995, which meant inflation ate away almost all the increase in defense spending. Defense spending grew 24.1 percent in 1994 over the preceding year, but since consumer prices also grew 24.1 percent over the preceding year, the real growth in defense spending was on the negative side. In 1995, consumer prices went up 17.1 percent, so it can be said defense spending for the year grew about 4 percent in real terms. Inflation was under control from 1990 to 1992, thus making considerable real growth in defense spending possible during that period. But then there were also years like 1988, when the inflation rate went up to 18.8 percent while the announced rate in defense spending growth was a mere 3.9 percent.

If one wants to ignore inflation rates in analyzing a nation's economy and finances, he would certainly be laughed at. For one, Russia's defense spending has nominally grown 290 times since 1992. It should only be the ABC's of the basics that all budgetary increases, whether they be for the national economy or military spending, should be viewed and discussed in terms of real growth rates.

When I made a note of this point, the people who had harped on China beefing up its military apparently became baffled, and then suddenly started to make strange assertions that "since the Chinese forces possess and run their own arms plants, they are not influenced by inflation." Even military-run plants need to buy raw materials and parts from outside sources. Some food supplies can come from military-run farms, but the workers will have no choice but to depend on markets for other daily necessities.

If the military wants to be freed from the impact of inflation, it will have to have a completely independent economic system free from the national economy in all aspects. If that can be done, the Chinese military forces can exist free of national budget financing, and then there will be no reason to discuss military growth by referring to announced defense budgets. Of course, the PRC Armed Forces having their own farms and plants would have an effect of easing or delaying impacts from inflation, but the most crucial point is in how much foreign exchange they have at their disposal to

use in modernizing outmoded arms and equipment. The Chinese Armed Forces are known to have exported arms produced at their plants and to use the foreign exchange earned therefrom to modernize their arms and equipment.

But over recent years, the world's arms market has been shrinking fast. According to a U.S. Arms Controls and Reduction Bureau survey, China's arms exports peaked in 1988 at \$3 billion and went down to \$0.95 billion in 1993. Iran and Iraq, which were the major buyers of Chinese arms, stopped their war in 1988; and then the Berlin Wall came down in 1989, which marked an end to the era of East-West confrontation. Developed countries are now desperate to rebuild their finances. Furthermore, Chinese-made arms are low in quality and less competitive in price than Russian-made products. In view of declining income from arms exports, it can be said that China's defense spending growth will slow further.

The national finances' difficult condition has also been a reason for a delay in the modernization of the Chinese forces. Since around 1990, some people have loudly talked about China building up its military might, particularly about China "drastically raising its naval and air force combat capabilities." However, all the new model surface vessels that China has added to its fleets are actually no more than two (4,200-ton) Luh-class destroyers — equipped with U.S.-made turbine engines and French-made guns obtained before the Tiananmen incident (in 1989) when Western countries were still helping the PRC with its military modernization programs — and four (2,180-ton) Jiangwei-class frigates. The total number of warships actually declined from 56 in 1990 to 52 in 1995. China's speed in building new ships is slow when compared with the programs of Japan, Taiwan, and South Korea to upgrade their surface ships.

Even regarding submarines, which used to be the main component of the Chinese Navy, according to "Jane's Defense Almanac," the number of submarines believed to be in serviceable condition went down from 63 in 1990 to 48 in 1995; the Navy had had more than 110 until 10 years ago. It has retired many of its W- and R-model submarines, built using Soviet designs that were based on the German Type-21 U-boat of 1944, while building their replacements — the "Ming-class" (which is actually a remodeled R-model) and Sung-class submarines — at the rate of one a year. China appears to have had technical problems, like excessive noise and radiation leakage, with its nuclear submarine "Han-model" as well as with its ballistic-missile-armed nuclear-powered "Xia-model." China has stopped producing them. As far as

submarine modernization is concerned, all that China has done is conclude a contract with Russia to buy four conventional-power Kilo-class submarines and has received two so far. Some reports suggest that China has agreed to buy six more or that the contracted number "runs to 22 in all, including options." But in view of the fact that the price for one runs to some 24 billion yen, it is doubtful if the Chinese Navy can afford to buy that many.

Out of 5,000 Air Force Aircraft, only 50 Are New Models

The outdatedness of the Chinese Air Force is even more conspicuous. The Air Force is said to possess about 4,400 fighters and about 400 bombers, but its fighter force is comprised of MiG-17's (flown first in the Soviet Union in 1951), MiG-19's (first flown in 1953), and MiG-21's (first flown in 1998), with about 3,000 MiG-19's making up the main component of the fighter force. The bomber force is made up of Ilyushin 28's, which were first introduced in the Soviet Union in 1948 and TU-16's which debuted in the Soviet Union in 1952. The new bombers China has procured since 1990 number no more than 48 or 50 Sukhoi-27 bombers made in Russia.

Other than that, China has bought 100 sets of MiG-29 engines from Russia for the purpose of using them on a program to build F8-II fighters which began in the 1980's with the help of America's Grumman Corporation, but was suspended over the Tiananmen incident. China will be able to build up to 50 F8-II's, a twin-engine plane, using the engines it has. The country is also said to be planning to import or produce locally, under a license arrangement, 48 to 72 Sukhoi-27 planes.

But this plane costs about 3 billion yen each. The per capita gross national product of China is about one-eighth of Japan's. In economic comparison, this is like Japan buying a fighter which costs 240 billion yen. When China bought 26 Sukhoi-27 planes, it paid part of the price with garments, canned foods and other commodities. That country is said to have agreed to buy a total of 72 planes at that time, but is yet to get to that level.

Even if it chooses to produce them under a license arrangement, it will still have to import many of the necessary components such as engines, radar equipment, computers and other electronic equipment. Besides, even if China decides to locally produce them, there will be not much savings involved. There is not much difference in labor costs between Russia and China any more.

As early as in the beginning of the 1980's when the United States mulled over the possibility of helping nurture the Chinese armed forces to use them as a strategic "China Card" against the Soviet Union, the United States had known that the Chinese Air Force was a collection of incredibly outmoded planes. Almost all the planes China now has are those it had in those days. Though it has a total of about 5,000 planes, they have passed or are nearing retirement age. Nor is there any way for the 50 Sukhoi-27 planes to take over the functions of 5,000 planes. By early in the 21st century, the number of the planes serviceable in front-line operations will come down to about 200. Some assert that "adding new planes while taking outmoded planes out still means increasing combat capabilities though smaller in quantity." The people who make such assertions are failing to take note of or are intentionally ignoring the modernization programs underway in other countries. Military modernization programs always need to be viewed in relative terms.

There is no question that the PRC Air Forces' modernization programs are moving slowly when compared with those of Taiwan which is about to procure a total of 340 planes — i.e., 150 F-16's, 60 Mirage-2000's, and 130 domestically produced "Chingkuo" fighters (carrying "Tianchen II" [as published] air-to-air "active-radar-homing" missiles, which Japan does not yet have). Even at this moment the Taiwanese Air Force, equipped with 270 F-5E/F's and 50 "Chingkuo" fighters and aided by good training, electronic equipment, and early warning systems, is in a superior position to the Chinese Air Force in general. That gap will only grow in the future.

Some of the people who have asserted China is building up its Navy and Air Force drastically appear to have come to realize this point. They are now saying: "Naturally, the country's conventional war capabilities have diminished, and that is because that country has put an emphasis on nuclear arms and ballistic missiles."

The same people who had said China was "rapidly expanding the conventional war capabilities of its naval and air forces" are now all of sudden saying, "Naturally, China's conventional war capabilities have diminished." They should admit the errors of their earlier stories rather than try to dodge the main point of the topic.

The Spratly Islands are the tips of steep underwater mountains, the waters around which are as deep as 2,000 meters. It is impossible to explore oil resources underwater around the islands using today's technology. Nonetheless, there are people who talk as if the oil resources around the islands were important.

Some say "if China builds an air base on the Spratly Islands, Japan's sea-lanes will be threatened" despite the

fact that even Taiwan-held Taiping Island, the biggest of the islands and the only island with wells for water supply, is so small in area and so short in water supply. It may be able to build a temporary landing strip there, but certainly not an air base.

Hearing these people talk like that and reading newspapers making a fanfare of it in a similar tone reminds me of the days when so much fuss was made in the United States about the alleged "gaps" in arms which kept on cropping up one after another. I can understand why some people think the breakout of an armed conflict around the Spratly Islands could be a major blow to the Japanese economy. They believe the conflict would cause major problems to Japan in transporting its oil from the Persian Gulf inasmuch as Japanese oil tankers sail through the Strait of Malacca and the bay off the west Philippines, which is right by the Spratly Islands, to get to Japan. But that is a typical amateurish thinking.

These days, oil tankers are huge and that makes the cost of transporting oil very cheap. It takes about 5 million yen including insurance premiums and vessel depreciation expenses to have a 250,000-ton tanker run 700 kilometers a day. If a tanker does not go through the Strait of Malacca and takes an alternative way via the Lombok Strait east of Bali, Indonesia, it will mean running eight to nine extra days which represents 45 million yen in cost. Divided by 250,000 tons or 250 million liters, that number will mean 0.18 yen per liter, a minor deviation in cost that can be almost ignored in the Japanese economy.

Suppose the Suez Canal was closed down because of a conflict in the Middle East. That will not impact seriously on the European economy. It will cost less to have large oil tankers make a little detour than to have small tankers run a short-distance direct route.

PRC Shames Itself by Interfering in Taiwan Presidential Election

It was in the 1960's that China came to have nuclear arms and ballistic missiles which could reach Japan. These weapons have been a threat for the past 30 years and will continue to be in the future. But we should recall that there has been much change in China since the 1960's and 1970's when the country, caught by an extraordinary ideological fever, was putting everything in expanding its arms as seen by the great number of old fighter planes which it still has. China has since returned to a sense of pragmatism.

China lobbed into the waters off Taiwan six ballistic missiles in July last year and four more in April this year, and conducted a series of small-scale naval and aerial exercises, loudly advertising them as big

exercises. Though China did not have the capability to invade Taiwan, it made intimidations and threats as if it had the capability. All this was done in an attempt to interfere in Taiwan's democratic direct vote to elect a president.

Certainly, both China and Taiwan admit "Taiwan is part of China," but such acts of intimidation by China should be condemned, and I am for that. I will say I will not take a backseat to anybody in that position. The conservatives of the Nationalist Party and the people of a new party formed by a group of defectors from the Kuomintang Party (mostly the people from the Chinese continent) exaggerated the military might of China to alarm and warn the public against supporting Li Teng-hui. What they said essentially was that it is not wise to anger China.

Nonetheless, the people of Taiwan elected Li Teng-hui with overwhelming support. China only shamed itself. It was like a man who raised his fist to another man in a gesture of menace but then had to put it down when he saw the other man was not shaken. China indeed was in an awkward position. Military analysts of all nations at that time should have explained to news media that China had no naval or air combat capabilities to beat Taiwan and that China only hurt its reputation by the actions. Surveys conducted in Taiwan showed that even before the United States decided to send its aircraft carriers into the waters off Taiwan, 70 to 75 percent of eligible Taiwanese voters had said they were not scared by intimidations from China. The people of Taiwan knew how poor the combat capabilities of the Chinese Navy and Air Force were.

Despite this, SANKEI SHIMBUN staff writer Ushiba, in writing about the incident in the evening issue of SANKEI 11 April edition, glossed over the mistake of the PRC hawks, who pushed for the conduct of the exercises, and insisted, "The conduct of exercises can be said to have elevated rather than lowered China's reputation."

Ushiba also wrote: "It is an undeniable fact that China has continued to build up its military strength for the past several years." If China's actions of reducing its arms drastically in quantity while modernizing them marginally constitute "a buildup," the actions of the United States, Japan, and West European countries steadily remodelling their arms and equipment, while reducing their military manpower, will also constitute "military buildups." If what China is doing could be called a buildup, what the United States, Japan, and West European countries are doing should be called "great military buildups."

China currently is suffering from steep inflation, and its fiscal deficits are growing year by year. Its fiscal condition is so bad that its government had to accept a real fiscal deficit of 28 percent in the 1996 national budget from the beginning. China's economy realized a growth of 10.2 percent last year. When there is growth in the real economy, revenue should grow in proportion to or above the growth rate — under normal situations. But the central government revenues grew only 3.3 times in the 1985-1995 period while the commodity prices grew by 3.03 times in the meantime. Indeed, the real growth in the revenues was so small as to make people wonder.

This revenue condition has probably been created by local government authorities. The local government officials, who were supposed to collect taxes for the central government, apparently have kept some of the tax revenues for use by their own local communities or for use by themselves personally. Some observers even suspect that China might have started splitting up over the crucial issue of national finances. China is certainly in no position to expand its arms.

One of the reasons that the United States and Japan are talking about "a China threat" now is probably because they want to "find a replacement" to fill in the "vacuum of a threat" created by the collapse of the Soviet Union and the hollowing out of Russian military might. In the United States, some people set off an alarm saying Japan is about to become a military power, or saying the U.S. forces need to be maintained in Japan to function as a "cork on a bottle." For a while, there was even talk of India being a threat, but apparently that story did not sound too persuasive and soon disappeared.

The U.S. military personnel in the Pacific and Asian region certainly do not want a reduction that will cut their strength in the region into one-third of what it was — as was done with the U.S. armed forces in Europe. They want to ward off a reduction somehow by coming up with a good excuse.

Advance Information and Cool Analysis Are Essential

In Japan, the allegations that China is a threat are being used by a small group of people as a justification for their objecting to reducing the U.S. military bases in Okinawa, which is something a majority of the people desire. About 18 percent of the space of the main island of Okinawa is now being used as sites for U.S. military bases. No doubt, this condition is causing much inconvenience to the Okinawan people. And, for Japanese taxpayers, Japan's financial assistance to the U.S. forces of 486 billion yen (plus estimated land rents

for 154.6 billion yen for state-owned land provided) is no small burden.

In the 1970's, following its war with Vietnam, the United States, which was experiencing a setback in its economic competitiveness, suffered further severe economic damage as a result of the "gap in the Navy force" I referred to earlier in this article. President Jimmy Carter from the Democratic Party, who was a graduate of the U.S. Naval Academy with a stint as an officer (lieutenant commander) on a nuclear submarine, effected a change in a naval force buildup plan, which had been formulated by President Ford's Republican administration to boost the main naval fleet vessels from 470 to 600. President Carter lowered the goal for the plan to 500 in order to help ease fiscal problems.

But the U.S. Navy was very unhappy about the change in the plan, and once the Republican administration led by President Reagan started in 1980, the target was quickly restored to the initial 600. In 1983 the United States took a further step in expanding its Navy by placing an order for two nuclear-powered aircraft carriers at the same time.

As a consequence of such arms expansion that came on top of tax reductions for high-income people, by the time Reagan left his office in 1988 the U.S. Government was in debt \$2.06 trillion and the United States was no longer a creditor nation, but a debtor nation. The U.S. Navy succeeded in having almost all the initially targeted number of 600 main fleet vessels by the end of 1980's, but then had no choice but to start cutting the number down substantially in face of serious fiscal problems. The number is now about to go down below 330.

It can be said that if the Navy had gone by the Carter administration's target of 500, it should have been able to keep flying at the same altitude. Its attempt to climb up too high only ended up making it stall and crash down. The myopic thinking of the U.S. Navy which tried to raise the budget for itself by publicizing and exaggerating the Soviet Navy buildup has ended up digging a grave for itself.

Even in the days of the 1980's when the "Soviet Navy buildup" was so loudly talked about, the people, by comparing the number of new vessels being built with the number of over-30-year-old vessels to be retired in the Soviet Navy, could clearly see that the Soviet Navy would lose about 40 percent of its fleet force and the U.S. Navy would come to hold an overwhelmingly superior position — by the year 2000.

We should recall many of the arms "gaps" touted and fussed about in the U.S. news media were those

which emphasized only part of facts or those whose possibilities with existing realities, or those which were intended as tactics of disinformation or psychological warfare on their own people to incite feelings of threats by playing up on the Soviet Union's show of might. We must be careful not to get carried away by such low-quality inflammatory news media reports. What Japan must do is have improved information collection capabilities and have the habit of making cool analyses and judgments of situations.

Japan: Tokyo To Provide Taiwan With Typhoon Relief Aid

OW2008063796 Tokyo KYODO in English
0601 GMT 20 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 20 KYODO — Japan will provide Taiwan with an emergency grant-in-aid of some 4.85 million yen to help the island cope with damage caused by last month's powerful typhoon, Foreign Ministry officials said Tuesday.

"We decided on this from a humanitarian viewpoint because of the scale of damage," a ministry official said.

The relief money will be extended via the interchange association, which serves as Japan's window to relations with Taiwan as Tokyo and Taipei do not have any formal diplomatic ties with each other, they said.

It will be the first such grant-in-aid to Taiwan, although Japan sent Taiwan some 200,000 yen in consolation money to help it cope with damage by a strong typhoon in 1994, they said.

They said Tokyo has obtained consent from Mainland China for the aid. Beijing regards Taiwan as a rebel province of the mainland.

Japan: British Foreign Secretary To Visit Japan in Sep

OW1908132396 Tokyo KYODO in English
1154 GMT 19 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 19 KYODO — British Foreign Secretary Malcolm Rifkind will visit Japan on Sept. 1-3 for regular consultations with Foreign Minister Yukihiko Ikeda, the Foreign Ministry said Monday.

Ikeda and Rifkind are expected to exchange views on bilateral relations, in particular an action program for closer bilateral links endorsed in December 1995 by Rifkind and then Foreign Minister Yobei Kono, as well as discuss international issues.

**Japan: SDP Losing Influence To Deal With
Okinawa Issues***OW1908144796 Tokyo ASAHI SHIMBUN
in Japanese 19 Aug 96 Morning Edition p 2*

[Unattributed article]

[FBIS Translated Text] The Social Democratic Party [SDP], which considers itself as "channels between the central government and Okinawa Prefecture" and has been eager to show its presence in the ruling parties, is becoming unobtrusive. The party has jointly struggled with Okinawa under the slogan of "anti-security pact and anti-military bases." However, since the party changed its security policies during the time of the Murayama Cabinet, the "channels" between the government and the prefecture as well as the party's Okinawa chapter are apt to be blocked, and therefore the party cannot come up with clear policies even on the issue of relocating military bases and military drills. In late August, a decision of the Supreme Court is scheduled to be made on a case in connection with the Okinawan governor's proxy signing. On 8 September, a prefectural referendum on reduction of military bases will be held. In this way, the Okinawa issues will soon reach a crucial point, and the SDP intends to keep an eye on Governor Masahide Ota's moves.

Uncertain Ties With Okinawa

Taking advantage of his summer vacation, SDP Policy Board Chairman Shigeru Ito paid a visit to Okinawa and exchanged views with executives of Okinawa Prefecture, including Deputy Governor Mitsuko Tomon on 15 August on such issues as relocation of Marine Corps Air Station [MCAS] Futenma and Okinawa development measures. Although Governor Ota and Deputy Governor Masanori Yoshimoto were not in the office, his visit was aimed at restoring the party's uncertain relations with the prefectural side.

When SDP General Secretary Kanju Sato told officials at the prime minister's official residence in early July that the Okinawa side "ought to accept the MCAS Futenma relocation plan if a substitute site is in the Kadena Air Base," Mr. Yoshimoto and other officials indicated strong reaction against Sato's remarks, thus openly expressing distrust of the SDP.

Since the SDP announcement of a policy of firmly maintaining the Japan-U.S. security pact, the SDP Okinawa chapter for its part has increasingly been dissatisfied with the party, saying "the party's pro-Liberal Democratic Party [LDP] stance is too conspicuous, and the party is failing to act on behalf of Okinawa." At the same time, SDP Vice Chairman Kosuke Uehara, who

was elected from Okinawa, has come under intense pressure from the Okinawa SDP chapter.

Director Hideyuki Maejima of the SDP General Affairs Bureau, who has his own channels to Okinawa Prefecture, has acted as an "intermediary" between senior LDP members and Mr. Yoshimoto. Although, as seen in this case, the SDP is playing a certain role in settling the base issues, the fact is that the party's "channels," which were created when the party's name was SDP Japan [SDPJ], are being blocked.

Pros and Cons of Relocation of Drills

As early as late this month, in an attempt to "show the party's stand of giving consideration to Okinawa" (according to a senior SDP member) and in preparation for the next general elections, the SDP plans to work out the party's comprehensive policies on such issues as realignment and reduction of the U.S. military bases and expropriation of land for use by the U.S. Forces.

Nevertheless, opinions are divided within the party over whether the party should allow relocation of the site for the U.S. military's live-fire exercises currently conducted across the Okinawa Prefectural Highway 104 to somewhere in the mainland. For that reason, it is unclear whether the party can come up with clear policies.

The worst scenario for the SDP is that confrontation between the Okinawa side and the government would intensify, the party would be placed between them, and the deepened conflict would put the party into a straitjacket. On 13 August, Mr. Ito met Chief Cabinet Secretary Seiroku Kajiyama and told him that, "Even if the Supreme Court makes a decision in favor of the government, the government should not take a high-handed attitude," thus asking the government side to take a cautious approach.

Caution Against Early Diet Dissolution

However, there is no possibility of the SDP's taking initiative in settling the Okinawa issues. For his part, SDP Chairman Tomichi Murayama, who attaches importance to the framework of the current coalition government, must be strongly hoping to prevent the Okinawa issues from triggering the early dissolution of the House of Representatives. On cooperating with the LDP to deal with such issues as working out Okinawa development measures: "What the party can do is to just wait for mutual understanding between the government and Governor Ota after the prefectural referendum on 8 September" (according to a senior SDP member).

Japan: MITI To Embark on Drastic Structural Reform

OW1908113596 Tokyo MAINICHI SHIMBUN
in Japanese 17 Aug 96 Morning Edition p 1

[Article by reporter Shinji Furuta]

[FBIS Translated Text] A government official disclosed on 16 August that the Ministry of International Trade and Industry (MITI) has started working on plans to drastically reform its organizational structure, including the reorganization of its Machinery and Information Industries Bureau (MIIB) and six other existing bureaus and the creation of a "policy evaluation committee," the proceedings of which will be completely open to the public. If the plans are implemented, this will be the first restructuring of the ministry in 23 years since the Agency of Natural Resources and Energy was created in 1973; it will also be the second restructuring since the ministry was created in 1949. MITI plans to announce the details of its restructuring plans within the year and start afresh under a new configuration as early as within the next fiscal year.

MITI's restructuring plan is aimed at, among other objectives, preparing itself for changes in Japan's economic structure and strengthening its policy-making functions. Moreover, MITI wants to enhance its raison d'être via self-reform efforts to counter "arguments that MITI is not essential." It is likely that the issue of MITI's structural reform will bring about widespread discussions over the restructuring of government ministries and agencies in Kasumigaseki (a district in Tokyo where government ministries and agencies are located) in general.

Currently, MITI consists of seven bureaus, including the Industrial Policy Bureau, the International Trade Policy Bureau, and the International Trade Administration Bureau, and four extra-ministerial agencies, including the Patent Office and the Agency of Industrial Science and Technology. The reform plan currently under study calls for dividing the MIIB into a machinery bureau in charge of the automobile and aircraft manufacturing industries and an information bureau in charge of the multimedia and information communications industries. Also under consideration is a plan to merge the Basic Industries Bureau, which is responsible for chemical, steel, and other heavy industries, and the Consumer Goods Industries Bureau, which is in charge of textiles and other industries, with other bureaus.

Another prospective idea under consideration to actively deal with environmental preservation and consumer protection, which have been considered negative factors from the standpoint of industrial policy, is to reorga-

nize the Environmental Protection and Industrial Location Bureau into an environmental and consumer policy bureau.

Moreover, to overcome factionalism between bureaus, project teams consisting of different bureaus will be organized. At the same time, bureau personnel who will be chosen as project team leaders in charge of policies will be trained to improve their abilities. Project teams will be set up separately each time there is a problem that cannot be handled by one bureau and its department. Concerned personnel from each relevant bureau and department will participate in such project teams for faster information gathering and quicker response to problems.

Another plan under consideration that is aimed at increasing transparency in the process of drafting policies is to set up a "policy evaluation committee." The purpose of this committee differs from that of councils which currently exist under each government ministry and agency in that in order to promote public participation in the policy-making process, some of its members are to be selected from the private sector and its proceedings are to be completely open to the public.

Japan: MITI Backs Research To Cut Electromagnetic Wave Emissions

OW2008052696 Tokyo KYODO in English
0351 GMT 20 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 20 KYODO — The trade ministry will provide financial aid to manufacturers developing technology to reduce electromagnetic wave emissions from electronic devices or to shield electronic equipment from such waves, ministry officials said Tuesday.

They said the Ministry of International Trade and Industry (MITI) will ask the Finance Ministry to set aside 15 billion yen from the upcoming fiscal 1997 state budget, as a fund from which such makers can receive loans at an interest rate of 3.4 percent a year.

The move comes at a time when consumers are becoming increasingly vocal over the possibly harmful effects of electromagnetic waves on the human body and the malfunctions they can cause in vital, high-tech equipment, the officials said.

Computers, mobile telephones and other electronic devices emit electromagnetic waves, to which floppy disks and high-tech equipment such as magnetic resonance imaging machines are susceptible.

The civil aviation industry has taken countermeasures such as by warning passengers not to use personal com-

puters or similar devices when the electronic systems of aircraft are most vulnerable at take-off or landing.

Meanwhile, although an Environmental Agency official has said it is impossible to prove the alleged causal relationship, although some medical experts have pointed out that there is a higher incidence of cerebral tumors among long-term users of computer terminals.

The MITI officials said the ministry hopes to alleviate concerns about electromagnetic waves by helping makers improve the capacity of equipment to resist the waves, while also reducing the strength of electromagnetic emissions from electronic devices.

Japan: Transport Ministry To Ease Regulations on Auto Maintenance

*OW1908132496 Tokyo KYODO in English
1246 GMT 19 Aug 96*

[FBIS Transcribed Text] Tokyo, Aug. 19 KYODO — The Transport Ministry on Tuesday [20 August] will enforce a revised ordinance reducing the number of mechanics required for each government-designated garage for carrying out auto repair work to one from the present two, ministry officials said Monday.

The deregulation is in line with an auto and auto parts trade agreement reached with the United States last year and the government's liberalization promotion program, the officials said.

Field testing for specialty vehicle mechanics will be exempted for graduates of training schools designated by the ministry, the officials said.

The number of mechanics required for private auto-inspection garages will also be cut to two each from the present three, they said.

Japan: NTT, Affiliate To Begin New Teleconferencing Service

*OW1908134596 Tokyo KYODO in English
0839 GMT 19 Aug 96*

[FBIS Transcribed Text] Tokyo, Aug. 19 KYODO — Nippon Telegraph and Telephone Corp. (NTT) and its affiliate NTT Hokuriku Telemac Inc. will begin a joint "chorus line" oral teleconferencing service Tuesday [20 August], the two companies announced Monday.

The service allows for subscribers to make conference calls with up to 200 people at one time. Domestic and overseas connections will be possible through ordinary telephones, portable phones and personal handy-phone system (PHS) phones, the companies said.

NTT and NTT Hokuriku will assign special operators to the service, which will have conference centers in

Tokyo and Kanazawa, Ishikawa Prefecture, on the Sea of Japan, where the affiliate is located.

The service will be available in three fee plans, such as an ad hoc contract plan that consists of phone charges, usage fees of 30 yen per minute per connection and other costs, the companies said.

Japan: Ministers Unveil 6-Billion-Yen Economic Reform Program

*OW2008053296 Tokyo KYODO in English
0510 GMT 20 Aug 96*

[FBIS Transcribed Text] Tokyo, Aug. 20 KYODO — Two cabinet ministers unveiled a 6 billion yen joint program Tuesday for pushing Japan's economic structural reforms, including a plan to equip designated cities with computerized information networks.

International Trade and Industry Minister Shumpei Tsukahara and Posts and Telecommunications Minister Ichiro Hino unveiled the program at separate news conferences after a cabinet meeting.

Prime Minister Ryutaro Hashimoto has instructed the two ministries to implement the program together.

The computerized information networks plan is designed to provide citizens with such data as medical services, education and natural disaster countermeasures, the ministers said.

The program also features the trial use of sophisticated information networks for motor vehicles on roads in designated cities in order to prevent traffic jams, they said.

Another aspect involves studying the complicated mechanism of the human brain and applying the findings to development of advanced information and telecommunications equipment, they said.

The final part of the program calls for a study on possible methods of forecasting earthquakes by applying such technologies to measuring electromagnetic waves, they said.

Japan: Banks Finalizing Loan Issues for New 'Jusen' Vehicle

*OW1908132696 Tokyo KYODO in English
1222 GMT 19 Aug 96*

[FBIS Transcribed Text] Tokyo, Aug. 19 KYODO — Major commercial banks and other big financial institutions started negotiations Monday on their allocation of low-interest loans to a new corporation which is to buy assets from seven failed "jusen" housing loan companies, financial industry officials said.

The allocation of loans is to be decided by the end of August since Housing Loan Administration Corp. intends to conclude contracts with the seven jusen companies Aug. 31 and buy their assets Oct. 1.

The corporation wants the allocation of loans and other pending problems to be cleared as early as possible as it will have to go through a four-week antimonopoly scrutiny by the Fair Trade Commission and verify some 200,000 claims held by the jusen.

Three groups — financial institutions that founded jusen, nonfounder institutions and agricultural money-lenders — will each provide 2.2 trillion yen in low-rate loans to the corporation.

The Finance Ministry last Friday offered interest rates, length and other terms of such loans as a base on which major financial institutions could coordinate their positions.

The ministry proposal envisages a lower financial burden on regional banks and life insurance companies because they will have to meet large claims on Chigin-Seiho Housing Loan Co., of which they are founders.

Major commercial banks, trust banks and other institutions voiced opposition to the proposed preferential treatment of regional banks and life insurers.

Japan: EPA Reports Jun Coincident Indicators Above 50 Percent

OW2008064696 Tokyo KYODO in English
0631 GMT 20 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 20 KYODO — The diffusion index (DI) of coincident indicators in June rose above the boom-or-bust line of 50 percent for the first time in four months, the Economic Planning Agency (EPA) said in a preliminary report issued Tuesday.

The index, showing the current state of the economy, stood at 55.0 percent, the agency said.

The diffusion index of leading indicators, seen to foreshadow the state of the economy by about six months, stood at 70.0 percent in the reporting month, above the 50 percent line for the third consecutive month, the agency said.

The diffusion index of lagging indicators, which confirms turning points in past economic trends, stood at 42.9 percent, staying below the boom-or-bust threshold for the third straight month.

The movements of the indexes indicate that economic recovery is continuing, the agency said.

The indexes represent the percentage of indicators in their respective categories which improved from figures three months earlier.

The rise in the coincident index came amid an increase in investment material shipment for the third straight month, and rises in small and medium companies' sales and job offers, both up for the second straight month.

Industrial production and the use of large-lot electricity turned from negative to their first positive reading in four months, the agency said.

Japan: GSDF Officer on Future Intelligence System
OW1908062296 Tokyo RIKUSEN KENKYU
in Japanese Jul 96 pp 21-38

[Article by Lieutenant Colonel Sadayoshi Tenkumo, member, Research Department, Intelligence School, Ground Self-Defense Force; article part of special feature issue on intelligence issues]

[FBIS Translated Text] [Foreword] The coming century will be the "information age." In meeting this "information age," what should the Ground Self-Defense Force's [GSDF] intelligence structure be like? I would like to offer an essay in view of the new National Defense Program Outline [NDPO] and recent science and technology [S&T].

1. Intelligence and Gulf War

In the Gulf War in 1991 the multinational military forces, the U.S. military at its core, destroyed Iraqi military capabilities and will in a mere 100 hours of ground warfare and a preceding period of air attacks. U.S. President Bush, the war's objectives achieved, ordered a halt to combat activities by the U.S. military. In the air attacks, smart bombs and cruise missiles attacked the doors of command centers and air vents of bunkers. Images of the instant of their destruction were broadcast live on television. In the ground attack as well, the burnt remains of tanks and other vehicles as well as the sight of Iraqi soldiers surrendering one after another were likewise broadcast. The war clearly ended in an overwhelming victory for the multinational forces with the U.S. military at its core.

Overwhelming superiority in "intelligence" is said to have brought victory in the war. However, when the Iraqi military invaded Kuwait in August 1990, not only did the U.S. military not have the topographical intelligence needed to input into the cruise missiles, intelligence regarding the Iraqi military's air defenses was also insufficient. Iraq at the time was not viewed as a major enemy of the United States. Rather, the nation was considered a counterbalance to Iran. Also, there was

the optimistic view that Iraq would not pursue a policy of war again after the long Iran-Iraq War. Iraq was thus not considered a primary intelligence target. This was clearly the case, given that the United States was unable to anticipate the Iraqi military's invasion of Kuwait.

However, the initial lack of intelligence was gradually eliminated over the long confrontation period lasting six months. The U.S. military was able to obtain the intelligence necessary for victory by the start of its operations. During the six months of preparations for operations in the Gulf, Iraq and Kuwait were covered in a vast intelligence-gathering net over air and land. That is to say, it was an intelligence-gathering net consisting of reconnaissance satellites, high-altitude strategic reconnaissance aircraft with airborne radar and various kinds of electronic warfare equipment, various sensors for ground telecommunications intelligence, special units that infiltrated behind enemy lines, etc. The information thus reported was processed, collated, then used by units in the United States and in the Gulf to assemble bit by bit a total portrait of the Iraqi military. Effort was put into the necessary digital mapping for cruise missiles to fly. For aircraft, the intelligence showed the Iraqi air defense system, that is, radar frequencies and deployment, anti-air missile and firearms positions and the precise locations and state of bombing targets, for example, entrances and air vents. For the ground forces, the opposing Iraqi military's organization, military equipment, and deployment was provided, the situation maps at ground forces' headquarters updating the information displayed. The U.S. military did feel short on intelligence regarding Saddam Hussein's intentions. Other than that, however, the U.S. military was able to continue providing intelligence to its commanders, which contributed greatly to the victory.

In the Gulf War, the U.S. military was overwhelmed with "intelligence." One could thus say that, we Japanese, with a blank slate regarding tactics, were able once again to recognize in substance the "importance of intelligence," often said to be "indispensable in gaining victory" and where "intelligence superiority itself is the key guaranteeing victory."

2. New NDPO and Intelligence

The new NDPO was adopted in November 1995. With an analysis of the changes in the international environment around our nation, in the new NDPO there is an expression to the effect that we will continue to preserve our nation's safety and independence through such means as exclusively defensive defense and a firm adherence to the Japan-U.S. security arrangement. The following concerns the role that defensive capabilities should play. Until recently, there were three major

duties for the Self-Defense Forces (SDF): "defense of our nation," the subsequently added "responding to major disasters," and "contributing to the construction of a more stable security environment." At the same time, the Ground Self-Defense Force (GSDF) structure for playing the roles expressed in the NDPO was set at nine divisions, six brigades, and a combined total of 160,000 GSDF personnel on active duty and in ready reserve. The roles demanded of the GSDF have grown, but the force with which to respond has been made more compact. Under such conditions, I would like to consider what is demanded of GSDF intelligence in order to play the three roles demanded. (1) Our Nation's Defense

In concrete terms, this is a role that the GSDF could play to deal with both direct and indirect invasions as well as illegal actions conducted with military force. As for the aspects that could be considered under dealing with invasion:

- a. dealing with a ground attack/invasion
- b. dealing with an attack/invasion of remote islands
- c. dealing with guerrilla/commando attacks
- d. dealing with air attacks from missiles and aircraft

Of the above, I shall consider the basic intelligence demanded in dealing with a ground attack/invasion.

The basic thinking for dealing with land attack/invasion is "rapid response and strike with every means of fire power available." This is based on the judgment that in order to halt an enemy invasion coming as a combined surprise attack by air and sea dispersed across an extensive front, it would be optimal to deal with it by the fire power that we would wield. In order to organize this method of fighting, prompt, accurate, and effective judgments for targeting fire strikes are necessary. For that, we must organize at the operational intelligence level an intelligence system able to complement the necessary time and distance for striking at the invading enemy and able to shed light continuously on conditions.

A. Direction of Collection Effort

The direction of the collection effort's targeting under the former NDPO stressed the north. In the new NDPO, the collection effort is not in opposition to a specific threat but is to guarantee our nation's security within unclear and uncertain international conditions. The target of the collection effort is those nations capable strategically or geographically of invading our nation; the target has thus expanded. Consequently, in response from times of peace to developments in the target countries, the ability to levy suitable intelligence requirements is important. A system capable of passing such intelligence

requirements promptly to the appropriate units for intelligence collection units and such is necessary. At the same time, it is necessary to prepare a system whereby the focus of intelligence requirements in an emergency is analyzed according to the characteristics of the target country and the commanding officer's intelligence requirements are levied promptly.

In an emergency, a commanding officer must be able to transmit immediately his intelligence requirements as orders to all units involved in intelligence gathering. Naturally, there has to be built an organization capable of transmitting requirements at the same time to units possessing multiple collection capabilities.

B. Gathering Information

(a) Operational Intelligence Field

The necessary intelligence gathering capabilities for executing a firepower strike must be determined now and in the future according to the range of firepower available. As the range of anti-sea and other missiles that the GSDF can henceforth operate is thought to rise to at least greater than 150 or 200 kilometers, it is important that intelligence find and identify the target at a distance beyond that. One can estimate the distance extending ahead of the target by adding the speed of the enemy aircraft or invading ships to the time necessary for our units to prepare to fire. If our range is 150 kilometers, then the time needed to prepare to fire is 30 minutes. If the enemy's surface rate of advance is 30 knots, the necessary distance for intelligence on the target is 150 kilometers + (30 knots X 0.5 hours). That is, we must identify the enemy at a distance of no less than 200 kilometers.

Also, in order to defend on an extended front with limited strength by rapid return fire, it is necessary to acknowledge simultaneously all conditions within the operations area of responsibility and bring into play consecutive fire strikes in priority order. Moreover, for the subcommand commanding officers as well, in addition to the respective intelligence needed for combat, there will be a need for a system in which subcommand commanding officers can use as well the broad intelligence acknowledged by an operation's commander to allow the provision of related distant and nearby intelligence.

As we are speaking of invasion by sea and air, the GSDF naturally would obtain intelligence from both the Maritime Self-Defense Force (MSDF) and Air Self-Defense Force (ASDF) as well as the Defense Agency's Defense Intelligence Headquarters [DIH]. Along with the ability to provide appropriate intelligence to the operation's commanding officers, there will also be a

need for an operation's commanding officers to be able to make use of DIH intelligence requirements.

(b) Strategic Intelligence Field

As for the capabilities required in the strategic intelligence field, we must be able to put into practice the collection of the information on target countries beyond the time and space distance to collect. Gathering intelligence without interruption is indispensable for appropriate evaluation. Within that range — apart from information with a direct effect on operations, this includes domestic information of target countries showing the effect several days or several weeks after operations — the collected information is thus passed to the operational intelligence organizations under the necessary army.

Also, in order to contribute to ground defense preparations, we must place the greatest emphasis on gathering intelligence on the military capabilities of foreign countries that we should make the primary target of strategic intelligence. In order to gather intelligence on foreign countries' military strategies, capabilities, and developments, we must have the capability to know in depth not only the target countries and their geography but their culture and society as well, that is, the various phenomena that bring into being the military.

C. Processing Information

Information gathered grows prodigiously in volume together with improvements in collection capabilities. The enormous quantity of information must be promptly recorded and arranged by category, immediately and correctly evaluated, and analyzed.

In particular, in the operational intelligence field, the intelligence target changes quickly and the time available for handling information is limited, requiring "greater promptness" in handling. That is to say, in fighting with limited strength at extended ranges during fast and fluid combat, if we are to seek to obtain victory, we must act in the extended range faster than the enemy and keep the initiative by staying ahead of the enemy. In order to act faster than the enemy, we must determine our own actions before the enemy conducts his own. For this, there is required the capability to handle information within a shorter amount of time than that required by the enemy to act.

For information in the strategic intelligence field, too, it would be gathered over a long period from times of peace; the quantity would be enormous. Moreover, the quantity would increase all the more with the passage of time. Accordingly, there is necessarily demanded the capability to record, arrange, and store these materials

by country and subject as well as the ability to deal with their increase.

Furthermore, strategic intelligence constitutes the basic material for operational intelligence. Conversely, mutual combinations of strategic and operational intelligence will be necessary. Consequently, a combination function capable of drawing out the necessary intelligence from both directions and handling them will be necessary.

D. Using Intelligence

If we posit that an enemy invasion would take place over an extended front, dispersed as a surprise attack via air and sea in combination, then such an attack would feature simultaneous combat over an extended range. Consequently, we cannot handle combat essentials in which senior commanders plan and direct combat and the frontline commanders fight in a narrow area of responsibility within a narrow band of personal discretion. Each unit commander within the scope of the senior commanding officer's plan, in order to have a broader range of responsibility, should fight while exerting his own initiative. That is to say, combat begins on the orders of the senior commander. Once combat begins, however, each unit commander must within his own area of responsibility exert automatically and flexibly his combat power. If we do not fight according to this model of decentralized combat, we will not be able to handle simultaneous combat over an extended area.

Therefore, accurate intelligence for the mobile units and firepower combat forces must be provided at the right time. Present intelligence organizations and intelligence activities are now being so constituted and implemented. However, it is anticipated that the character of modern warfare, with its extended area and speed, surpasses our current capabilities and limits our response. Over a broad area and at great speed, a commanding officer cannot through his own intelligence capabilities respond to the scope of enemy actions. Also, the intelligence passed through the chain of command has a great time lag and is slow; in effect, there is a great possibility of being kept busy working on the response and falling into passivity. There should be no distinction in volume and quality of intelligence according to unit commander rank. Intelligence enabling a unified combat organization to exert its combat power must be provided so that any part of the combat organization is able simultaneously to recognize and use it.

Consequently, in order to use in a timely manner the necessary intelligence covering an extended range, the intelligence flow, including the intelligence gathered far from the commander at the battlefield, must be quickly and simultaneously, not following the conventional chain of command, provided to each combat com-

mander. This way of thinking is "making intelligence the common property of all." It is likely to be the focus for what should be the conception in the use of intelligence.

(2) Responding to Major Disasters

Considered here as the assumed state of affairs are such situations as major disasters, terrorism, and large refugee inflows accompanying conflicts in neighboring nations. Primarily handling such situations are local governments as well as the police and other organs of public order. Requests for the GSDF to provide support are likely for events surpassing the capabilities of the above organizations. Consequently, obtaining intelligence from related civil organizations on such situations is fundamental. Therefore, at the national or regional level, organizing an effective integrated intelligence liaison organ will likely be necessary.

The necessary intelligence for handling major disasters will contribute to determining the scale of the disaster as well as regional specifics, the extent of the damage as well as what is most necessary for aid and assistance. In order to grasp the situation, other than grasping the disaster conditions, comparison of the state of disaster with the region's preceding state would become necessary for understanding the disaster's character. As with handling operations in general, grasping a disaster's special character through comparison with previously obtained information will contribute greatly to making judgments on such acts as disaster relief.

Due to the sudden outbreak of disasters and the urgency of saving lives, speed in gathering information is a given. Dealing with such situations is also strongly required.

A. Direction of Collection Effort

Given the special character of disasters, determining what to expect of the information from local governments and other civil organizations is important. Arrangements to assist the commander in a timely manner regarding intelligence requirements for each special character of the disaster are likely to prove necessary. Now, we should prepare other necessary particulars according to "our nation's defense".

B. Collecting Information

When a disaster occurs, we must be able to cover the entire disaster area as a collection target, collecting quickly and continuously the regional information that becomes the emphasis of each local area. Also, as we make general residents and regional companies the object of our collecting, there are limits to collection

by communications intelligence [COMINT] capabilities. We are likely to be better able to collect by means of imagery.

Also, collection through sight by reconnaissance personnel is another indispensable means. Furthermore, collection not only from related civil organizations and local governments but from broadcast stations and other elements of the mass media as well as the highway public corporation and other transport organizations is also important. Also, given the special character of disasters, their sudden outbreak, in the immediate aftermath of a disaster's taking place, collecting a considerable amount of information in a short period of time will be required. For conducting collection comprehensively and on a priority basis immediately after a disaster occurs, doing so by regular intelligence organs will prove difficult against the too numerous collection objectives. Therefore, at least during the initial period, the regular intelligence organs must organize a larger "Disaster Area Information Collection Center" with personnel provided from the local or other units. The Center would then have to establish arrangements to gather information from the disaster area's related organizations. As for the collection essentials, along with working to gather information in sending information collection personnel to each related civil organization, collection from the air as well is indispensable. Putting together an Internet capable at ordinary times of information exchange with the related organizations would be a desirable means of information gathering. Then, as prompt transmission of the collected information would be requested first, it likely would be necessary to form the necessary transmission organization, dividing part of the communications organization for the unit command.

C. Processing Information

Important for the handling of the information collected is the comparison and examination of the regional situation in times of peace. The comparison of the basic information from normal times with the disaster conditions must be conducted immediately. For this reason, the previously collected information and the information newly gathered from related organizations must be arranged according to the latest conditions. It is important that the information handled then reported quickly to subcommand and related units.

D. Using Intelligence

The army commander and others must provide information on the disaster area, other than for use in contributing to the dispatch of units, to multiple units garrisoned over an extensive area on account of the special character of major disaster relief. Each commander on the

basis of this information will be able to make decisions concerning the details of the dispatch essentials. Also, as actions in the disaster sites, there will be many relief operations by small units conducted by each alone. For this reason, if the small unit commander is able to use the information necessary to make such judgments at the scene of where the greatest emergency lies, he will likely be able to conduct lifesaving and other operations more effectively. The ability of each commander to be able to use quickly when necessary the information on the particular area would thus be desirable.

E. Large Refugee Inflows, Terrorism, and Other Situations

Regarding large refugee inflows, illegal entry usually occurs by ship from outside our national territory. Consequently, to deal with this, responding via defense intelligence channels linked to the MSDP and ASDP intelligence organs can be considered possible. In particular, the role and capabilities of strategic intelligence regarding the countries in question from ordinary times will likely be able to make a great contribution.

Next, in regards to terrorism, there are such features in common with major disasters as sudden outbreak and the urgency of saving lives. Also, common to both natural disasters and terrorism is that both are initially unclear situations. They differ in that there is a subject behind the situation in terrorism. Consequently, intelligence on terrorist subjects is necessary for a GSDF required to deal with terrorism. Together with putting to use intelligence collected from the police and other organs of public order, the GSDF must be able to gather the necessary intelligence and the appropriate commanding officers must be able to use it. Also important is intelligence in order not to produce supporters from within the GSDF, as in the recent Aum Shinrikyo case.

(3) Contributing to Construction of Security Environment

In concrete terms, contributing to the construction of a security environment are participation in peacekeeping operations (PKO) and other programs for international cooperation, confidence building measures, and arms control and other activities. In particular, although we already have some achievements in PKO, future participation is expected to grow. Accompanying the government decision for PKO dispatch, intelligence should be provided to the PKO force commander to contribute to the organization of the dispatched unit and for the sure understanding of the dispatch and neighboring areas necessary for PKO activities.

The PKO intelligence target, compared with that for "our nation's defense," expands to areas considerably distant from our neighboring countries, such as Africa and Southwest Asia. As for this expanded part, it surpasses the intelligence capabilities considered in "our nation's defense." I believe that new response and intelligence capabilities will be necessary.

A. Collecting Information

In order to gather the necessary information for PKO dispatch within a limited collection period, arrangements capable of promptly gathering intelligence on the distant countries to which SDF units will be dispatched in a short period will be necessary. After the dispatch, too, the arrangements must be able to appropriately support the intelligence gathering necessary for the local commanding officer. Particularly indispensable is gathering information on basic maps for considering unit actions.

For this it will be necessary that basic information be gathered and that basic information from times of peace be arranged on regions with countries that could be PKO destinations as well as those countries themselves. Continuing after the dispatch, too, we must gather information necessary both to the GSDF Chief of Staff as well as the local commanding officer. There will likely be required collection by reconnaissance satellites or local Japanese government organizations and corporations as well as from the countries involved.

B. Processing Information

In processing as well, we must operate in a limited amount of time. The efficient processing of information is necessary. We must therefore prepare in advance to hold onto personnel or duty posts possessing basic knowledge on the PKO destination countries. Also, in the case of a nation or region distant from ours, the GSDF alone will not be able to process sufficient intelligence. It will be necessary to increase the accuracy of processing through liaison with organizations related to the Ministry of Foreign Affairs or volunteer organizations.

C. Using Intelligence

Providing to the PKO unit commander, both before and after the unit's mobilization, the intelligence necessary for training or for assessing conditions for local unit actions is desired.

D. Participating in Confidence Building Measures

Concrete confidence building measures include security symposiums as well as such defense exchanges as visits by uniformed officers to military facilities and

mutual inspections. Also required is participation in arms control activities to prevent the spread of nuclear weapons and to restrict conventional weapons. For such activities the views of military professionals are necessary. To support such views and have fruitful confidence building measures, a considerable amount of military intelligence on the other participant countries is necessary. Basically, the personnel themselves who participate in those programs need to be well versed in the relevant intelligence. The necessary intelligence must therefore be provided beforehand to the personnel. At the same time it will likely be important in advance to develop foster individuals with appropriate abilities. The GSDF needs to have intelligence on the details of the natural target countries' military power and order of battle as well as specific numbers for military equipment and their deployment. The GSDF needs to prepare and maintain arrangements for appropriately processing this information and providing it as needed. Also, should doubts arise during confidence building measures, the ability to respond immediately would be a natural measure. If there is no related intelligence to that already gathered, I believe that we should prepare the capabilities to immediately gather the necessary information, then process and transmit it. Moreover, as those personnel dispatched must be able to use the intelligence, we will likely prepare arrangements capable of direct contact with the dispatched personnel.

3. S&T and Intelligence (subhead)

The striking progress of S&T related to intelligence is remarkable in the electronics field. Technologies in computers, optoelectronics, radar, communications, and aeronautics as well as remote sensing, a combination of technologies, are deeply related to the future of intelligence. Such S&T will offer unpredictable possibilities for the future of intelligence.

(1) Gathering Information

Progress in S&T makes possible in the information collection field the collection for various ranges, with collection target areas from a global scale to limited area available. Advances in electronic and optical collection capabilities make possible collection without distinction between night and day and without effect from weather conditions. Also, the resolution of the collection target is under one meter for satellite imagery; it is likely that resolution of several tens of centimeters is becoming possible. In addition, progress in sensors is making possible the development of unmanned collection terminals. Moreover, one can dramatically increase the number capable of development by using computers.

Also, concerning the transmission of the information collected, through the relay of communications satellites, electronic, real-time global transmission to the desired point is becoming possible. Also, in a local area, robust communications superior in durability and capable of overcoming terrain obstacles becomes possible if communications satellites are used.

As a concrete image of collection and transmission capabilities on a global scale, there are the reconnaissance and communications satellites that the United States and other nations are already using. Our nation, too, has the power to conduct launches of weather and other satellites. Through the combination of sensors using various radar types, infrared rays, and such, we are fully capable of handling it technologically. Other than that, battlefield monitoring capabilities using reconnaissance aircraft or large aircraft are also possible.

Consequently, technologically, in regards to collection we can probably satisfy all the necessary intelligence requirements from our nation's defense to responding to major disasters and international cooperative activities.

(2) Processing Information

In the information processing field, too, the development of computer technology makes possible the processing of huge amounts of information or intelligence in an extremely short period of time. The first step in this processing is the recording and arrangement of information. This very field is the one in which computers shine. Once recorded and arranged, information stored in database form can be used by all the linked terminals through the transmission route by appropriate establishment of access means and procedures. In addition, the mutual time and position comparison of information stored in databases is easily executed. Consequently, it is possible to increase the accuracy of intelligence by comparing and examining the multiple items of information and establishing relations between them. This can also be done faster. From the mutual relations in such intelligence, we can also heighten the precision of intelligence forecasts in the near future. In addition, AI [artificial intelligence] capabilities, now moving ahead, will improve further. If the production of manuals for information processing procedures from the user's side should make progress, there are expectations that the automatic processing in the future will grow and that processing speed and accuracy both together will greatly improve.

Consequently, regarding information processing, we should be able to respond fully in particular in terms of "speed" and "accuracy."

(3) Using Intelligence

The progress in communications technology capabilities and computers will make possible input and output of intelligence at the same time in our intelligence system. Each commanding officer thus will be able to use the necessary intelligence immediately. In contrast to the use of intelligence from the chain of command until now, a commander at any level will be able to use intelligence more easily and quickly; near real-time response will be possible. In this way all commanders will possess intelligence in common.

(4) Probability Conclusion

Considering the technology now at hand and that predicted in the future, I believe that the expansion of the collection scope for information deemed necessary and the improvement of its precision can be fully achieved. As for information transmission, too, it will be possible through use of such means as satellite communications. With the advance in computer technology, we will be able to further improve the speed and accuracy of processing. With improved transmission, we will be able to maintain the use of intelligence in a real-time and simultaneous way. One could say regarding "making intelligence the common property of all," too, that this is fully possible. Actually turning such possibilities into equipment and using it, however, will require huge expenditures and a new intelligence organization. Therefore, I believe that we would greatly change the GSDF's existing system. If we at least resolve to do so, achieving change is possible.

4. Future Intelligence System

Bringing together the need leading from the role expressed in the new NDPO and the possibilities arising from progress in S&T, I would like to consider a future intelligence system.

(1) Systematic Intelligence System

As I already noted regarding its new role, intelligence for an extended area surpassing their own area of responsibility will be necessary at the same time for commanders at all levels to assess conditions and make decisions. There is thus a great need for "making intelligence the common property of all." In peacetime there are the PKO and other international contribution activities, dealing with major disasters or, in an emergency, with surprise, dispersed, and extensive invasions. GSDF units responding would thus be forced to act or fight on a small scale or independently. Also, as the speed of the response target will be greater than in the past, a unit commander will have to grasp accurately the existing

situation, assess conditions, make decisions, and command the unit in a shorter period of time than at present. Intelligence, therefore, we will not be able to respond by using in turn the intelligence provided through the conventional chain of command. We must constitute a system whereby the intelligence known by each operational unit at a time can be presented instantly to all commanders belonging to that organization. Such a systematic intelligence system itself would embody the idea of "making intelligence the common property of all," making possible the use of intelligence simultaneously by all commanders at the necessary time and place.

I believe that the result would be to secure at a level beyond the present one our achieving missions, whether operations, responding to major disasters, or international cooperative activities.

(2) Intelligence Work and Intelligence Organization

a. Directions in Gathering Efforts

I would like to create an organization with the following capabilities for the commanding officer and the intelligence staff supporting him. An intelligence transmission control mechanism and dedicated transmission route are needed to enable the prompt and simultaneous transmission for the commander's intelligence requirements to subcommand units (intelligence specialist units and general units). Therefore, I would create a transmission control unit with such functions. Either that or the special organization of an intelligence support unit possessing those functions as an intelligence staff support unit will likely be necessary.

b. Gathering Information

Concerning collection procedures, COMINT and imagery will be indispensable in the future to satisfy the need for intelligence that is extensive, real-time, and accurate. I would like to establish an intelligence collection organization having at the same time both functions. At the operational intelligence level, I would organize an intelligence unit capable of collecting COMINT and imagery for the army, divisions, and other units. I would organize an intelligence unit with army and division operational capabilities, that is, capabilities corresponding to the collection distance. For the army intelligence unit, I would establish a wide-area, remote collection unit using aircraft (fixed-wing aircraft, helicopters, and unmanned aerial vehicles) as well as a COMINT unit with ground installation COMINT equipment. Organizing intelligence units for the division and other levels would also be desirable. I would also strengthen the intelligence transmission organization in order to maintain the transmission's real-time character.

At the strategic intelligence level, as the collection target area is broad, I would establish an organization for COMINT and imagery using satellites. In addition, it would probably be necessary to organize a ground observation unit that uses large aircraft called JSTARS [Joint Surveillance and Radar Target System] that the United States plans to adopt. Concerning satellites, the GSDF does not need to have them. However, in regards to intelligence gathering by satellite, there must be arrangements for us to conduct the needed coordination and gather the necessary information. Also, in order to know the defense strategy or politics and economic conditions of target countries, it will be necessary to collect published materials as well as those from related organizations. Therefore, I would establish a specialist organ handling this task, for example, by strengthening the GSDF's present Central Documents Unit to create a "Translation Documents Center." In order to create maps and other aides for target areas of PKO activities, I believe it would be necessary to strengthen our Central Geographic Unit to have a map center able to provide maps on a global scale for international cooperation activities. In concrete terms, I would organize a central intelligence unit as a strategic intelligence organization. It would probably be necessary to have an organization including as constituent units a satellite intelligence management unit, COMINT unit, a translated documents center, and a map center.

c. Processing Information

For the recording and arrangement of information, the use of computers is indispensable. For computer operation and management, dedicated technology and facilities are required. Therefore, I believe that we should organize a special unit. However, considering that recording and arrangement are extremely closely tied to evaluation and assessment, it would be appropriate to establish within the intelligence staff a section specializing in computer use.

Concerning computer maintenance, including that function within an intelligence unit for collection effort as a specialist support organization can be considered.

d. Using Intelligence

An organization to handle transmission for the intelligence reporting will be necessary. Making use of the transmission organization considered for the collection effort can be considered. For international cooperation activities or major disasters, having satellite communications capabilities will be necessary. Placing such capabilities within an intelligence organization would be

one idea. Organizing it as an intelligence direct support communications unit would be another.

(3) Expansion in Intelligence Specialists

As an organization necessary for intelligence activities, it will be necessary to organize intelligence units corresponding to each command level, from the Ground Staff Office to the division and other levels. For these units to conduct intelligence activities smoothly, we must keep the capabilities of these personnel at the level needed for conducting our activities. Consequently, we must plan the fostering of personnel in a systematic and planned manner. As one idea for education and training, we would strengthen the capabilities of the Intelligence School. We would place personnel management and intelligence unit support management in the GSO Intelligence Department, establishing therein an intelligence occupation management section. I believe it would be important that GSO's Personnel Department or the Plans and Operations Department and Logistics Department keep liaison with the section in order to do this.

Conclusion

Much of what I have written above regarding a "future intelligence system" has either already been put into practice in the United States or is presently targeted for such. The United States has results accumulated from many years of preparing for war with the Soviet Union as well as actual experience in the Gulf War and elsewhere. U.S. efforts have continued to develop such a system. The reason is a recognition that intelligence itself will play the main role in the next generation. For the GSDF, too, I believe that a similar recognition is necessary. The GSDF, which is becoming increasingly compact, must, with its limited fighting potential, accomplish multiple tasks demanded in new roles. Therefore, it is likely to come down to deciding on putting emphasis on fighting potential use or on how to distribute the fighting potential appropriately. To be able to achieve this, "appropriate intelligence" itself is absolutely indispensable. We cannot expect that of our present intelligence system. I believe that as we have become more compact, we should aim in "intelligence" for a "future intelligence system" better and stronger than the present one. Thus, it would probably be desirable to emphasize the addition of intelligence to the buildup of frontline equipment and think in terms of reconstructing the intelligence system. As for the information technology to support a "future intelligence system," nearly all of it is possible for our nation. As in the past, when planning took place with the goal of Japan's economy catching up to the U.S. economy, is it not the time now when new efforts are demanded in order for us to narrow

the gap with the United States in the field of military intelligence?

I firmly believe that when this intelligence system is able to function completely is the time that we will be able to offer "intelligence" as needed to commanders and organizations as well as to perfect the execution of, as always, the defense of Japan as well as our international contributions and other international cooperation activities.

Japan: DA To Introduce Laser Guidance System for MSDF Helicopter

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in Japanese 18 Aug 96 Morning Edition p 1

[FBIS Translated Text] As of 17 August, the Defense Agency [DA] has decided to introduce the laser-assisted deck-landing system for SH60J surveillance helicopters, which are one of the main forces of the Maritime Self-Defense Force [MSDF], for the first time in the world. In this system, the helicopters will be guided automatically to the deck by a laser, enabling them to land on escort ships safely even at night or in stormy weather. The DA plans to incorporate the required expenses in its budget request guideline for the next fiscal year.

The SH60J is a patrol helicopter that has been loaded on escort ships. The MSDF has used it since FY91. Since the helicopter's deck-landing on an escort ship has to depend on a pilot's eyes, it was difficult to land at night or in stormy weather.

The DA technology research headquarters launched its basic study on the laser-assisted deck-landing system in FY92, and recently made an estimate for putting it into practical use. The following is the system's mechanism: A laser dispatch system is set up on the escort ship while a helicopter is equipped with a reflector. The helicopter's altitude and distance will be deduced from the reflection of the laser sent from the escort ship, and be transmitted to the helicopter. Then, the helicopter will make an approach to the deck using its automatic control system. The DA hopes that "the new system will be helpful in searching for victims of disasters in stormy weather."

North Korea

DPRK Paper Reacts to U.S. Republican Platform on DPRK

SK2008034596 *Pyongyang KCNA in English*
0332 GMT 20 Aug 96 — Official DPRK news agency

["U.S. Hawks Urged to Start From Nightmare of Cold War" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 20 (KCNA) — The U.S. Republican hawks would be well advised to start from the nightmare of the cold war, view the DPRK-U.S. issue cool-headedly and act with discretion, says NODONG SINMUN today.

Commenting on the "policy manifesto" published at the recent Republican national congress, the daily says:

In the document they joined issue with the DPRK about its framework agreement with the United States and its "missile problem" and defined the DPRK as a "sponsor of terrorism".

What they really intend is to kill the agreement, stifle the DPRK and dominate the whole of Korea.

By charging the DPRK with the "missile problem" and the "sponsorship of terrorism", they seek to find a pretext for the use of Armed Forces against the DPRK.

It is none other than the United States that presents missile threat and ringleads international terrorism. It is the height of sarcasm and a grave provocation that the republican hawks accuse the DPRK of "sponsoring terrorism".

They, engrossed in pursuing partisan interests, have endangered the outstanding bilateral issues in a short-sighted manner.

In the hope of winning the forthcoming presidential election, they have resorted to every conceivable means and even magnified the DPRK issue, slandering it.

They, too much swayed by the party interests and policies, are excessively short-sighted.

If the Republican Party refuses to discard the thinking pattern in the period of the cold war and continues heaping pressure on the DPRK for its sake, it would be unfavorable to the U.S. itself.

DPRK: Reunification Festival Opening in Seoul Noted

SK1308213396 *Pyongyang KCNA in English*
1522 GMT 13 Aug 96

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — About 2,000 students and members of the South Headquarters of the National Alliance for

the Country's Reunification (Pomminnyon) held a ceremony for opening the Seventh Pan-National Rally and the Sixth Reunification Festival of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) at Yonsei University on the evening of Monday [12 August], according to a radio report from Seoul.

The opening ceremony was held though the fascist clique sent large police force around the university and viciously schemed to foil it.

At the ceremony Pomminnyon members and students declared that they would hold joint functions in the North, the South and overseas for three days from August 13 in defiance of the fascist clique's suppression seeking to block the August 15 reunification ceremonies.

The fascist clique have reinforced riot police force to 155 companies 18,000 strong and dispatched them to Yonsei University and different places in Seoul to thwart the ceremonies.

They have also sent police force to Uijongbu supposed to be a returning route of students Yu Se-hong and To Chong-hwa, who are visiting the northern half of Korea, in a bid to block a welcome meeting.

DPRK Papers Denounce ROK for Blocking 'Reunification Festival'

SK1408035696 *Pyongyang KCNA in English*
0240 GMT 14 Aug 96

["Papers on Brutal Suppression of Student Activities in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — The Kim Yong-sam group are the very one who caused violence in Yonsei University of South Korea on Monday, papers here today say.

That day there was a clash between students who gathered at Yonsei campus to participate in the grand reunification festival of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) and heavily-armed riot police.

In a commentary NODONG SINMUN says the puppets' mobilization of heavily-armed fascist police in the brutal crackdown on students' peaceful activities for reunification is an intolerable anti-national, anti-reunification crime.

No matter how harshly they may suppress the students, however, can the Kim Yong-sam group never dampen the students' patriotic spirit and desire for reunification.

MINJU CHOSON stresses that the Kim Yong-sam group must stop the suppression of South Korean

students, aware that with nothing can they block the grand reunification festival.

DPRK: SKNDF Denies Kim Yong-sam for Blocking Rally

SK1408101296 *Pyongyang KCNA in English*
0702 GMT 14 Aug 96

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — Yi Chong-sang, chief of the Pyongyang mission of the National Democratic Front of South Korea (NDFSK) [SKNDF], in a statement on August 13 on the occasion of the 51st anniversary of the liberation of the country denounced the traitor Kim Yong-sam for trying to block the grand pan-national festival, going against the trend of the time.

The statement continued:

The great Comrade Kim Il-song organized and waged the arduous anti-Japanese revolutionary struggle for over 20 years and liberated the country. It is quite natural and essential for all the fellow countrymen to celebrate this historic day as the nation's common holiday.

However, Kim Yong-sam blocked the holding in Seoul of the August 15 national joint events by mobilizing fascist suppressive forces and, furthermore, attempted to kidnap the delegates of the South Korean Federation of University Student Councils on their way to Pyongyang in broad daylight.

However desperately Kim Yong-sam may try to check the grand pan-national festival and block the current of history toward reunification, going against the trend of the time, our fellow countrymen will celebrate August 15 as the nation's common fete day for all ages and the national efforts for reunification will demolish the wall of separation.

DPRK: ROK Student Groups Invite DPRK Groups to Seoul Rally

SK1508051196 *Pyongyang KCNA in English*
0448 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — University student organizations under the South Korean Federation of University Student Councils, the South headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghaengnyon) invited university student organizations in the northern half of Korea including the student committees of Kim Il-song University, Kim Hyong-chik University of Education, Kim Chol-chu University of Education and Kim Chaek University

of Technology to the grand reunification festival of Pomchonghaengnyon to be held in Seoul.

They in the invitation cards noted that the grand reunification festival is an expression of the firm will of the youth and students in the North, South and overseas to live in a reunified country, not in the divided country.

They called upon North, South and overseas youth and students to get together to open the door of reunification at any cost at this time when the destiny of nation is at stake owing to the outside and anti-reunification forces.

DPRK: Resolution Renewed for Release of Reunification Champions

SK1408080196 *Pyongyang KCNA in English*
0715 GMT 14 Aug 96

[FBIS Transcribed Text] Panmunjom, August 14 (KCNA) — A solidarity meeting for the release of arrested pro-reunification patriots and students in South Korea was held here today, at which a letter to the patriots was adopted.

The letter said the pro-reunification patriots, who are determined to devote themselves to national reunification and are keeping their patriotic principle regardless of imprisonment and torture, are the pride of the South Korean people.

It went on to say:

You are now suffering in jail, but you are by no means alone.

The 70 million fellow countrymen desirous of reunification are with you and are fully supporting your patriotic struggle.

All the Koreans in the North, South and abroad and human conscience are now scathingly denouncing the anti-reunification repressive moves of the "civilian"-veiled South Korean authorities and raising the voices of support to your patriotic struggle for justice.

The bars behind which you have been put will be sure to be destroyed by the flames of the struggle for the release of the pro-reunification patriots which are raging in the North, South and abroad.

DPRK: Commentary Denounces 'Ulchi' as 'War Gamble'

SK2008131796 *Pyongyang KCNA in English*
1312 GMT 20 Aug 96 — Official DPRK news agency

['Ulchi' War Gamble Denounced] — KCNA headline

[FBIS Transcribed Text] Pyongyang, August 20 (KCNA) — The frantic "Ulchi" military manoeuvres

which are being staged in "an atmosphere of a real war" throughout South Korea are an unpardonable criminal act of the Kim Yong-sam group who are putting down the desire of the people for reunification which has grown stronger on the occasion of August 15 and leading the situation to the brink of war to find a way out of their crisis, says MINJU CHOSON in a signed commentary today.

It continues:

Involved in the manoeuvres which are being held from August 19 to 23 are the puppet army and all the puppet administrative organs and residents.

When announcing a programme concerning the manoeuvres recently, the puppets said that they would stage a surprise "civil anti-air raid drill" throughout South Korea, if necessary.

Lurking behind this is a sinister intention to call out police, "government officials" and the puppet army to repress pro-reunification patriotic forces.

If the Kim Yong-sam group continuously resort to inter-Korean confrontation and frantic war gamble, it will precipitate their destruction, the commentary warns.

DPRK: ROK Denounced for '96 Focus Lens' Military Exercise

SK2008032896 Pyongyang KCNA in English
0322 GMT 20 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 20 (KCNA) — The puppet Defence Ministry of South Korea gave an emergency call at 01:00 on August 19 to stage a military exercise codenamed "96 Focus Lens", formed an "initial counteraction team" by mobilizing all the military bosses above "section chief" level and took "necessary military steps", according to a radio report from Seoul.

The puppet defence minister at the so-called "crisis control committee" held with the attendance of high-level military bosses that day vociferated about the "danger of North's provocation" and instructed "all the Army to train with the attitude of participating in a real war".

The military exercise reportedly continues till August 23.

At the time when all the fellow countrymen in the North, South and abroad are more eagerly longing for the reunification of the country on the occasion of the 51st anniversary of liberation, the South Korean puppets, challenging it, are cracking down on peaceful demonstrations of the patriotic students with large repressive Armed Forces and, at the same time, staging

another war exercise against the fellow countrymen in the North.

This fully shows once again that the Kim Yong-sam group are warmaniacs hellbent on finding a way of living in the war provocations against the North, indifferent to dialogue and reunification.

DPRK: ROK Radio Reports Cited on Student Demonstrations

SK1408051696 Pyongyang KCNA in English
0438 GMT 14 Aug 96

["S. Korea: Students Resist Police Repression" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — An estimated 8,500 students under the South Korean Federation of University Student Councils on Tuesday staged fierce demonstrations for the sixth grand reunification festival of the National Alliance of Youth and Students for the Country's Reunification, a radio report from Seoul said.

Above 2,000 students who gathered at Yonsei University, the venue of the festival, and students who grouped at Korea University, Hanyang University and other places launched demonstrations in different parts of Seoul, stubbornly resisting the repression by the riot police to foil the event.

Meanwhile, the Kim Yong-sam fascist clique mobilised 155 companies of the police, 18,000 strong, to disperse the demonstrations and walked away over 100 students.

DPRK: ROK Student-Police Clashes Reported

SK1608034396 Pyongyang KCNA in English
0243 GMT 16 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — The Kim Yong-sam group set in motion twelve helicopters and more than 6,000 fascist policemen to disperse the grand reunification festival of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) which was being held at Yonsei University of South Korea on August 15, Seoul-based radio No. 1 reported.

A similar outrage was committed the day before.

Students, with the fighting stamina to hold the reunification festival with their fellow students in the North, defended the festival place, hurling flame bottles and stones at the riot police.

Repeated clashes were expected between strongly resisting students and the police, the radio reported.

DPRK: Pomchonghangnyon Holds News Conference in Pyongyang

SK1908130196 *Pyongyang KCNA in English*
1149 GMT 19 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 19 (KCNA) — The North and overseas headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) and Yu Se-hong and To Chong-hwa, delegates of the South headquarters of Pomchonghangnyon, called a joint press conference in Pyongyang today in denunciation of the Kim Yong-sam group's brutal suppression of the South Korean Federation of University Student Councils and published a letter to organisations of progressive youths and students around the world.

Recalling that on the occasion of August 15 delegates of the youth and students in the North and South of Korea and abroad held the sixth grand reunification festival of Pomchonghangnyon in Pyongyang and Panmunjom, while ceremonies of youth and students were ruthlessly suppressed in South Korea, the letter says that during the festival more than 6,000 combat policemen of some 50 companies were called out to repress events at Yonsei University in South Korea and some 1,700 students were whisked away.

More than 21,000 policemen of 177 companies were called out to crack down upon the South Korean students who were trying to go to Panmunjom to participate in a peaceful meeting with their North Korean and overseas counterparts, the letter says, and continues:

The South Korean authorities are engaged in false propaganda against Pomchonghangnyon, the sponsor of the recent festival, claiming that it is "behind-the-scene forces" of the South Korean Federation of University Student Councils and "an enemy-benefiting organisation manipulated by the North".

Their claim is a shameless sophistry aimed at strangling the just patriotic struggle of the South Korean students for national reunification as well as the united struggle of youths and students in the North, the South and abroad.

The letter expresses the expectation that the organisations of progressive youth and students around the world will pay due attention to the bloody suppression and false propaganda offensive, denounce the South Korean authorities for their frantic physical and political repression of the South Korean federation of university student councils and adopt active measures to express solidarity with the South Korean students in their [word indistinct] struggle.

DPRK: ROK 'Suppression' of Students 'Second Kwangju Massacre'

SK2008134696 *Pyongyang KCNA in English*
1340 GMT 20 Aug 96 — Official DPRK news agency

[“Kim Yong-sam Group Hit for Their Brutal Suppression” — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 20 (KCNA) — Youth and students in Pyongyang met today to denounce the Kim Yong-sam fascist clique for their brutal suppression of the South Korean students.

Attending the meeting were Paek Nam-chun, director of the Secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland, officials concerned and students in Pyongyang.

At the meeting the speakers said that the Kim Yong-sam group are frantic in an undisguised suppression of the South Korean Federation of University Student Councils (Hanchongnyon), describing the recent Pan-National Rally and Grand Reunification Festival of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), which were held on the occasion of August 15, as enemy-benefiting.

The current suppression in Seoul is the second Kwangju massacre and the traitor Kim Yong-sam is like Chon Tu-hwan and No Tae-u, murderers of Kwangju citizens, they noted.

They denounced the traitor Kim Yong-sam who is engaged in the bloody fascist suppression to stamp out "Hanchongnyon" valiantly fighting for independence, democracy and reunification, as a vicious traitor and a rare fascist murderer who is quite indifferent to the unity of the nation and reunification and an enemy of reunification with whom the fellow countrymen cannot live under the same sky.

The traitor Kim Yong-sam should look squarely at the trend of the times, immediately stop the sanguinary suppression of patriotic-minded students under "Hanchongnyon" and unconditionally release all the arrested patriotic students at once, they stressed.

DPRK Paper Decries Japan for Urging Saving ROK's Chon, No

SK1608035096 *Pyongyang KCNA in English*
0248 GMT 16 Aug 96 — Official DPRK news agency

[“Why Does Japan Defend Murderers?” — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — The Japanese reactionaries now describe

the traitors Chon Tu-hwan and No Tae-u as "persons who have striven for democratization".

A news analyst of NODONG SINMUN today says:

The Japanese reactionaries cannot deny that they are of the same kind with Chon and No, as people comment.

They said that they will "watch the future developments". This is in fact as good as calling for saving the traitors. It is not hard to guess that the traitor Kim Yong-sam would do anything as demanded by his master.

The Japanese reactionaries must know their patronage of the fascist murderers greatly angers the South Korean people.

They would be well advised to ponder over every word they say.

DPRK Daily Warns Japanese Media About Distorting DPRK Situation

*SK1308095896 Pyongyang KCNA in English
0941 GMT 13 Aug 96*

["Japanese Media Advised Not To Act Waiting Maid for S. Korean Puppets" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — SANKEI SHIMBUN and some other Japanese newspapers and magazines, bereft of reason, have unhesitatingly carried articles distorting the situation of the DPRK.

In this connection, MINJU CHOSON carries a commentary today.

Lurking behind their articles slandering the DPRK are dirty money-based relations with the South Korean puppets, the news analyst points out, and says:

Some pressmen of Japan so often calling for "impartiality" and "truth" of the press are carrying articles based on false reports about the DPRK. This evidently shows that they are bribed by the South Korean puppets.

They are playing the role of henchmen and mouthpiece of the puppets in false propaganda against the DPRK. Their deed is as good as disgracing themselves.

But, it is no use for the South Korean puppets and the Japanese reactionary pressmen to persistently resort to anti-DPRK intrigues, which cannot work on anybody and last long.

The venal publications and pressmen of Japan must distinguish which is right, with reason, and no longer serve as waiting maid of the South Korean puppets.

DPRK: Choe Yong-hae Attends Gathering With Japanese Group

*SK1408041696 Pyongyang KCNA in English
0216 GMT 14 Aug 96*

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — Youth and students in Pyongyang held a friendly gathering with the "Ship of Peace" youth friendship visiting group of Japan on a visit to Korea on Tuesday.

Present there were Choe Yong-hae, first secretary of the Kim Il-song Socialist Youth League Central Committee, officials concerned, youth and students in the city and the Japanese visiting group headed by Taisuo Hayashi, advisor to "Ship of Peace" and former representative of the International Volunteers Centre in Japan.

Speeches were made before an art performance was given.

DPRK: Japan 'Trying To Dodge' Responsibilities for Past Acts

*SK1508053396 Pyongyang KCNA in English
0524 GMT 15 Aug 96 — Official DPRK news agency*

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — MINJU CHOSON today accuses the Japanese Government of craftily evading the state responsibility for the odious crimes the Japanese imperialists committed against the Korean people in the past and of doing nothing in the settlement of the past.

In the commentary the daily says:

Japan is trying to dodge its responsibility for the indelible, monstrous crimes, revealing their brazen-facedness and craftiness.

With no trick, can Japan rid itself of the legal responsibility and moral obligation for the settlement of the past.

Their refusing to properly liquidate the past wrongdoings means their intending to perpetrate such misdeeds in the future.

In actuality, the Japanese reactionaries are persistently going ahead with preparations for reinvansion of other nations and overseas expansion.

Their overseas expansion will bring Japan a disaster only.

Japan should give up the ambition for overseas expansion and liquidate the crime-woven past as early as possible.

The Korean people will never tolerate the crimes committed by the Japanese imperialists in the past but satisfy their deep-seated grudge.

DPRK: CPC Delegation of Cadres Returns Home After Visit

SK1308112396 *Pyongyang Korean Central Broadcasting Network in Korean*
1300 GMT 10 Aug 96

[FBIS Translated Text] A delegation of cadres of the CPC, headed by Zhou Shengtao, deputy secretary of the Xinjiang Uygur Autonomous Regional Committee of the CPC, returned home by train on 10 August.

DPRK: Pomminnyon Delegation Departs for Rally in PRC

SK1308213196 *Pyongyang KCNA in English*
1518 GMT 13 Aug 96

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — A delegation of the North headquarters of the National Alliance for the Country's Reunification (Pomminnyon) led by Vice-Chairman Kim Yong-ho left here today to participate in the Seventh Pan-National Rally (PNR) which will be held in Shenyang, China.

The delegation was seen off at the airport by Vice-Chairman of the North Headquarters of Pomminnyon Han Yong-su.

DPRK: Lao Information, Culture Ministry Delegation Arrives

SK1308150896 *Pyongyang KCNA in English*
1505 GMT 13 Aug 96

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — A delegation of the Ministry of Information and Culture of Laos led by Vice-Minister Boutaeng Vongsay [spelling of name as received] arrived here today.

The delegation was welcomed at the airport by Song Pong-sun, vice-chairman of the DPRK Information Commission.

DPRK: WPK, Russian Delegations Hold Talks in Pyongyang

SK1708015496 *Pyongyang Korean Central Broadcasting Network in Korean*
1300 GMT 12 Aug 96
— DPRK-owned central radio network

[FBIS Translated Text] The Workers Party of Korea (WPK) delegation held talks with the Russian National Salvation Front delegation on 12 August in Pyongyang.

Participating from the DPRK side were Choe Chis-su, deputy director of a department of the WPK Central Committee, and other functionaries concerned. Participating from the Russian side were members of the delegation headed by (Valeriy Smirnov), chairman of its executive committee.

During the talks, both sides notified each other of the situation of the activities of their organizations and exchanged opinions on a series of problems of mutual interest. The talks were held amid a friendly atmosphere.

DPRK: Central Committee Sends Greetings to President Yeltsin

SK1408093896 *Pyongyang KCNA in English*
0910 GMT 14 Aug 96

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — The Central People's Committee of the Democratic People's Republic of Korea sent a message of greetings to B.N. Yeltsin, president of Russia, on August 13 on the occasion of the 51st anniversary of the liberation of Korea.

The message expressed the belief that the good-neighbour, friendly and cooperative relations between Korea and Russia will develop in the interests of the two peoples on the principles of independence, equality and non-interference in other's internal affairs.

DPRK: Korea-Russia Friendship Association Holds Film Viewing

SK1508051396 *Pyongyang KCNA in English*
0450 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — A film show was held here on Wednesday under the sponsorship of the Korea-Russia Friendship Association on the occasion of the 51st anniversary of the liberation of the country.

Charge d'Affaires ad interim of the Russian Embassy here Pavel Yakoblev [name as received] and embassy officials were invited to the film show.

Present were Yang Tai-chu, vice-chairman of the Committee for Cultural Relations with Foreign Countries and vice-chairman of the Korea-Russia Friendship Association, officials concerned and working people in the city.

They saw a feature film "In the Fourth Year of War".

DPRK: Yi Song-tae, Yi In-kyu at DPRK-Russia Friendship Meeting

SK1608034496 *Pyongyang KCNA in English*
0246 GMT 16 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — A friendship gathering took place at the Russian Embassy in Pyongyang Thursday on the 51st anniversary of Korea's liberation.

Invited to the gathering were chairman of the State External Economic Affairs Commission Yi Song-tae, Vice Foreign Minister Yi In-kyu and officials concerned.

On hand were Russian Charge d'Affaires ad interim Pavel Yakovlev and embassy officials.

Speeches were exchanged at the gathering.

DPRK: Dailies Observe 49th Anniversary of Indian Independence

SK1508090196 *Pyongyang KCNA in English*
0854 GMT 15 Aug 96 — Official DPRK news agency

["49th Independence Anniversary of India Marked" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — Papers here today observe the 49th anniversary of the independence of India.

Referring to the achievements made by the Indian people in building a new society free and prosperous, since the independence, a signed article of NODONG SINMUN says:

India is striving to achieve national reconciliation and unity and develop friendly relations with surrounding countries.

India, an elder state of the non-aligned movement, is actively striving to strengthen and develop the movement.

The Korean people are sincerely rejoiced over the achievements made by the Indian people in building a new society and will make active efforts to strengthen and develop friendship with India as in the past.

A signed article of MINJU CHOSON says that the Korean people wish the Indian people greater success in the efforts for the prosperity of the country.

DPRK: Friendship Gathering Marks Pakistani Independence

SK1308074796 *Pyongyang KCNA in English*
0440 GMT 13 Aug 96

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — A friendship gathering took place at the Korea-Pakistan Friendship Pyongyang June 9 Senior

Middle School on Monday on the occasion of the 49th anniversary of the independence of Pakistan.

Present on invitation were Pakistani Ambassador to Korea Rehmdil Bhatti and embassy officials.

Present were Chon Yon-ok, vice-chairwoman of the Korean Committee for Cultural Relations With Foreign Countries and vice-chairwoman of the Korea-Pakistan Friendship Association, officials concerned and teachers and students of the school.

The guests inspected circle rooms of the school.

The participants appreciated an art performance given by art circle members of the school and conversed with each other, deepening the feelings of friendship.

DPRK Papers Extend Congratulations on Pakistani Independence Day

SK1408075296 *Pyongyang KCNA in English*
0659 GMT 14 Aug 96

["Pakistani Independence Day Observed" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — Papers here today extend warm congratulations and greetings to the Pakistani people and sincerely wish them greater success in their work for building a new prosperous, society on the occasion of the 49th anniversary of the independence of Pakistan.

Since the independence, the Pakistani people have consolidated the independence and sovereignty of the country and continued to struggle for promoting economic construction, a signed article of NODONG SINMUN says, and goes on:

Today the Pakistani people vigorously push forward the work for democratic development and prosperity.

Pursuing non-alignment in foreign policy, Pakistan has developed friendly relations with many countries of the world. She has made every effort to develop friendly and cooperative relations with members of the South Asian Association for Regional Cooperation and to achieve the peace and stability of the region.

The friendship between Korea and Pakistan has a long history.

The Korean people will make efforts to strengthen and develop the friendship between Korea and Pakistan as in the past, so in the future.

DPRK: Cuban Envoy, Embassy Staff Conduct 'Friendship Labour'

SK1708030796 *Pyongyang KCNA in English*
0242 GMT 17 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 17 (KCNA) — Jose Ramon Rodriguez Varona, Cuban ambassador to the Democratic People's Republic of Korea, and embassy officials on Friday [16 August] participated in friendship labour at the Korea-Cuba Friendship Stock-Farm on the occasion of closing the month of solidarity with the Cuban people.

They were briefed on the history of the stock-farm and saw round its facilities before working together with farmers.

DPRK: Kim Yong-sun Meets Delegations of Overseas Koreans

SK1608122596 *Pyongyang KCNA in English*
1214 GMT 16 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — Secretary of the Central Committee of the Workers' Party of Korea and chairman of the Reunification Policy Committee of the Supreme People's Assembly Kim Yong-sun met and had a talk with the delegation of the overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon) led by Yu Tae-yong, co-chairman of the U.S. headquarters of Pomminnyon, and the delegation of the overseas headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) led by Pak Ku-ho, co-chairman of the overseas headquarters of Pomchonghangnyon, in a compatriotic atmosphere at the Mansudae Assembly Hall today.

Present were Paek In-chun, chairman of the north headquarters of Pomminnyon, and other officials concerned.

DPRK: Kim Chong-il Receives Victory Message From Raul Castro

SK1308114796 *Pyongyang Korean Central Broadcasting Network in Korean*
0100 GMT 10 Aug 96

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and people, received a congratulatory message from Raul Castro Ruz, minister of the revolutionary armed forces of the Cuban Republic, on the occasion of the 43d anniversary of the victory of the fatherland liberation war.

The congratulatory message reads as follows:
Pyongyang.

To Marshal Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army:

Respected marshal comrade, on the occasion of the 43d anniversary of the victory in which the aggression by the U.S. imperialists was defeated, I send most sincere congratulations to you on behalf of the fighters of the revolutionary armed forces of the Cuban Republic and myself. Through this opportunity, I pray there will be greater results in the respected marshal comrade's responsible work, and that you will live a long life.

I send fraternal greetings to you.

[Signed] General Raul Castro Ruz, minister of the revolutionary armed forces of the Cuban Republic

[Dated] 27 July 1996, Havana

DPRK: Kim Chong-il Receives Letter From Military Attaches' Corps

SK1308100696 *Pyongyang KCNA in English*
0947 GMT 13 Aug 96

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — A congratulatory letter was addressed to the great leader Comrade Kim Chong-il by the Military Attaches' Corps in Korea on the 51st anniversary of national liberation.

The letter was handed over to an official concerned today by the doyen of the corps, Cuban Military Attache Arnaldo Fernandez Rodriguez.

DPRK: Kim Chong-il Receives Basket, Letter From Economic Corps

SK1308100796 *Pyongyang KCNA in English*
0948 GMT 13 Aug 96

[FBIS Transcribed Text] Pyongyang, August 13 (KCNA) — The great leader Comrade Kim Chong-il was presented with a floral basket and a congratulatory letter by the Economic and Commercial Councillors' Corps in Korea on the 51st anniversary of national liberation.

They were conveyed to an official concerned today by the doyen of the corps, Russian Trade Representative Yevgeniy Bilim.

DPRK: Cuba's Castro Sends Kim Chong-il Message on Flood Damage

SK1408042196 *Pyongyang KCNA in English*
0233 GMT 14 Aug 96

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — The great leader Comrade Kim Chong-il

received a message of sympathy on August 12 from Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba, in connection with the flood damage in Korea.

Upon hearing the news that Korea has suffered a great loss from floods which hit some areas of Korea including South and North Hwanghae Provinces in July, Comrade Fidel Castro Ruz, in the name of the party, the government and people of Cuba, extended the most wholehearted sympathy to Comrade Kim Chong-il and the leading officials and people of the Democratic People's Republic of Korea.

The message expressed the belief that Comrade Kim Chong-il and the leading officials and people of the DPRK would surmount hardships with such a strong will as they had always displayed.

DPRK: Kim Chong-il Sent Gift by Chairman of 'Ship of Peace'

*SK1408092096 Pyongyang KCNA in English
0901 GMT 14 Aug 96*

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — The great leader Comrade Kim Chong-il received a gift from the visiting chairman of the Executive Committee of "Ship of Peace" of Japan.

The gift was handed to an official concerned by Chairman Kiyomi Tsujimoto.

DPRK: Kim Chong-il Receives Greetings From President Yeltsin

*SK1408112096 Pyongyang KCNA in English
1049 GMT 14 Aug 96*

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — The great leader Comrade Kim Chong-il received a congratulatory message from Russian President B.N. Yeltsin Tuesday on the occasion of the 51st anniversary of the liberation of Korea.

In the message Yeltsin extends congratulations to Comrade Kim Chong-il and the people of the DPRK on the anniversary.

August 1945 was unforgettable days to the Russian people, too, he says, referring to the contribution made by sons and daughters of Russia to liquidating the foreign rule on the Korean peninsula.

He is convinced that it conforms to the interests of the two countries and peoples to strengthen and develop the good-neighbour relationship between the two countries,

which have experienced cooperation of many years in different fields, the message says.

DPRK: Foreign Diplomatic Corps Sends Letter to Kim Chong-il

*SK1508053596 Pyongyang KCNA in English
0525 GMT 15 Aug 96 — Official DPRK news agency*

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — The great leader Comrade Kim Chong-il received a congratulatory letter from the foreign diplomatic corps in Korea on the occasion of the 51st anniversary of the liberation of the country.

It was handed to an official concerned by Nigerian Ambassador to Korea Olugbenga Ayodeji Ashiru, doyen of the corps, on August 14.

DPRK: Foreigners, Overseas Compatriots Visit Kim Il-sung Statue

*SK1408044396 Pyongyang KCNA in English
0424 GMT 14 Aug 96*

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — Foreigners and overseas compatriots visited the statue of the great leader President Kim Il-sung on Mansu Hill to lay floral baskets and pay respects to him on Tuesday.

The economic and commercial councillors' corps accredited to the DPRK, charge d'affaires ad interim Keo Sokha and officials of the Cambodian Embassy visited the statue on the occasion of the 51st anniversary of the liberation of Korea.

The visitors also included the delegation of the Ministry of Information and Culture of Laos led by Vice-minister Bounteng Vongsay and members of the delegation of the Overseas Headquarters of the National Alliance for the Country's Reunification to the 7th Pan-National Rally.

DPRK: NDFSK Officials Lay Baskets at Mansu Hill, Martyrs Cemetery

*SK1508094796 Pyongyang KCNA in English
0943 GMT 15 Aug 96 — Official DPRK news agency*

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — Chief Yi Chong-sang and officials of the Pyongyang mission of the National Democratic Front of South Korea (NDFSK) [SKNDF] laid a floral basket before the statue of the great leader President Kim Il-sung on Mansu Hill here today on the occasion of the 51st anniversary of national liberation.

They made bows before the statue, praying for the immortality of President Kim Il-sung.

They renewed their determination to hold in high esteem the respected General Kim Chong-il at the head of the nation as the lodestar of national reunification and the centre of unity and follow him to the last, cherishing the unshakable will and faith that they will surely win as they are guided by him, who is identical to the president in ideology, leadership and virtues.

They also visited the Revolutionary Martyrs' Cemetery on Mt. Taesong in the outskirts of Pyongyang to lay bouquets before the bust of Comrade Kim Chong-suk, an anti-Japanese war heroine and an indomitable communist revolutionary fighter, and pay a silent tribute to her memory.

DPRK: Art Performances Mark 15 August Holiday
SK1608083296 Pyongyang KCNA in English
0802 GMT 16 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — Art performances were given at theatres in the capital and local towns Thursday to mark August 15, the significant holiday.

"Let's Sing of Our Fatherland", a concert of famous artistes of the Mansudae art troupe, was held at the East Pyongyang Grand Theatre, while a performance "Collection of famous music pieces from the five revolutionary operas" was given by the Pibada Opera Troupe at the Pyongyang Grand Theatre.

The performers represented well "Our Ardent Desire To See the Leader", "Sing of the Story, the Fork in Mangyongdae", "Where Is the Fatherly General Now?" and other songs, touching off the audience's deep reverence and yearning for the great leader President Kim Il-song.

Besides, the Yun I-sang Concert Hall saw a concert given by conductors from national art troupes and by the National Symphony Orchestra, and the Pyongyang International Cinema House a funny show by actors and actresses of the state comic troupe, the Pyongyang circus and the Korean People's Army circus performances of acrobats.

Celebration performances were also given at local theatres.

DPRK: Work on Wonsan-Mt. Kumgang Railway Project Accelerated

SK1608032596 Pyongyang KCNA in English
0241 GMT 16 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — A railway project between Wonsan and Mt. Kumgang is being accelerated.

Builders mainly finished the laying of the railway bed and the construction of over 10 stations and many other structures.

They have begun laying the rails.

They are speeding up the construction of railway bridges and tunnels.

DPRK: '1994, Year of Bitter Tears' Painting Landed

SK1608082996 Pyongyang KCNA in English
0759 GMT 16 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 16 (KCNA) — An increasing number of Koreans and foreigners go to the Mansudae Art Studio of Korea to see the large-sized Korean painting "1994, Year of Bitter Tears" created by the studio.

Some 100 artists of the Korean painting production of the studio drew the painting on the basis of the single-stroke technique of Korean painting on the occasion of the second anniversary of the death of the great leader President Kim Il-song.

The masterpiece, which is 82 metres long and 2.2 metres high on an average, consists of seven chapters — "Being With the People on a Rainy Night", "Tears of Blood on Mansu Hill", "People in the South Receive the Sad News", "Koreans in Japan at the Sad News", "Sorrow Over the Five Continents", "The Great Leader Comrade Kim Il-song Will Always Be With Us", and "People's Resolve".

The visitors are deeply impressed by the painting, which is profound in ideological and thematic contents and unique and perfect in depiction.

Foreigners say that they have never seen such a wonderful and big painting.

South Korea

ROK: DPRK Farm Reform Said to Allow Partial Free Use of Farmland

SK1708071596 Seoul MUNHWA ILBO in Korean
16 August 96
p 2 — Daily newspaper owned by the Hyundai Group

[Article by Tokyo-based correspondent Kim Yong-pom]

[FBIS Translated Text] Quoting a source from Beijing, ASAHI SHIMBUN on 16 August reported that North Korea, which manages agriculture production under a cooperative farm system, seems to have adopted a contract-farming system which allows cooperative

farms to freely sell part of their crops beginning this year.

ASAHI SHIMBUN says this agricultural reform by North Korea appears aimed at promoting agricultural output and coping with food shortages. According to this paper, this new production system, which North Korea installed in January, permits the partial free use of farmland by so-called "workteams." In other words, as long as a "workteam," composed of several households (about 20 people), submits a certain amount of its yield to the state, it may sell the rest of the yield freely on the market.

Because North Korea's agricultural output has been greatly damaged by the floods, the effectiveness of this contract-farming production system is yet to be seen. However, ASAHI SHIMBUN reports that this new system will contribute to increasing agriculture production in North Korea as the weather improves.

ROK: DPRK-Russia Treaty To Remain Valid 'for Time Being'

SK1708070496 Seoul TONG-A ILBO in Korean
17 Aug 96 p 2 — South Korea's second-largest and second-oldest daily newspaper

[Report by Moscow-based correspondent Mun Myong-ho]

[FBIS Translated Text] The North Korea-Russia treaty is still valid. It has been learned that the Friendship, Cooperation, and Mutual Assistance Treaty between North Korea and the former Soviet Union, which was reported to have been completely nullified on 10 September, will remain valid for the time being, for form's sake.

A Russian Foreign Ministry official said on 15 August: "As Russia has not officially notified North Korea of its desire to annul it, the treaty will be valid until a new treaty is signed between the two countries."

Article 6 of the North Korea-Russia treaty specifies: "Unless either signatory expresses a desire to abate the treaty a year before its expiration, the treaty will remain valid for the next five years, and its expiration date will be postponed by the same procedure."

In August last year, Russia proposed to North Korea that negotiations for concluding a new treaty be held, saying that the current one does not fit reality. According to the Russian official, however, it was not an official notification of Russia's desire to abrogate the treaty in accordance with Article 5 [as published] of the treaty.

Russia's proposal for "negotiations for signing a new treaty," which was put forward a year before the

expiration of the current treaty, is thought to be aimed at both showing its consideration for the ROK, which has expressed great interest in the treaty's abrogation, and maintaining relations with North Korea by concluding a new treaty after smoothly liquidating the old one a year before its expiration date.

However, North Korea has been postponing the negotiations for over a year, so it is almost impossible for the sides to conclude a new treaty prior to 10 September. Accordingly, even after 10 September, the current treaty will remain valid until a new treaty is signed; this is Russia's position.

ROK: Ongjin County Allowed To Contact Residents in DPRK

SK1808042996 Seoul HANGYORE SINMUN
in Korean 18 Aug 96 p 2 — Antiestablishment newspaper that generally reflects an anti-government, anti-U.S. position usually sympathetic toward North Korea

[Report by reporter Ho Chong-sik from Ongjin]

[FBIS Translated Text] Ongjin County, Incheon, revealed on 17 August that it recently obtained approval from the Ministry of National Unification [MNU] to contact North Korean residents to convey letters proposing exchanges of dispersed families.

In this connection, Ongjin County has undertaken full-scale work to form a four-man delegation—including county chief Cho Kon-ho; Yim Kun-pae, chairman of the Ongjin County Assembly; and Kim Song-ki, chief of internal affairs for Ongjin County—as the South's representatives for arranging to hold contacts with North Korean residents.

The delegation plans to visit the PRC around 24 August. Under the presence of embassy officials of both South and North Korea, the delegation will convey to Yun Chun-ki, chairman of the Administrative People's Committee of South Hwanghae Province, a proposal for the exchange of dispersed families in which, among the 436 residents in Ongjin County who have relatives in the North, 50 residents who are 70 years old can meet with their dispersed families for one night and two days on Kirin or Sunwi Island, Ongjin County, North Korea, or on Paengnyong or Yongpyong Island, the ROK.

In this proposal, Ongjin County will also reveal that if North Korea proposes, the ROK is willing to change the venue to any third country. They plan to discuss in detail with the North Korean delegation methods for exchanging dispersed families, such as the number of visitors, methods of exchange, the safety of the visitors, and lodging.

ROK Poll: Most Citizens Support President's Policy on DPRK

SK1708085996 Seoul YONHAP in English
0843 GMT 17 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 17 (YONHAP) — The most South Koreans concur with President Kim Yong-sam's latest policy toward North Korea as disclosed in his liberation day message last Thursday.

An opinion survey showed Saturday that 73.1 percent of those questioned in the survey supported the president's policy while 18.6 percent said they were against it.

The poll was taken by Hyundai Research Institute in a contract awarded by the National Unification Ministry. A total of 1,000 people aged 20 or older across the country were questioned over the phone on Aug. 15-16.

Of the pollsters, 80.3 percent said they were supporting President Kim's remarks that the government would allow South Koreans to make sight-seeing tours of North Korea if and when North Korea accepts the four-way talks proposed.

As to the issue of whether the country should provide foods to North Korea, 38.1 percent said the government should furnish full-fledged food assistance to North Korea while 25.2 percent the South doesn't need to give food aid.

Another 22.3 percent said private-level assistance should be expanded and 11.2 percent replied there should be small-scale food delivery through international organizations.

On the method of food assistance, 86.3 percent said there needs a fundamental resolution to the North's agricultural structure. Only 3 percent said the South should provide foods whenever North Korea runs short of foods.

Regarding the four-way meeting proposal, 66.4 percent said they believe the government should call on North Korea to accept the offer with patience. But, 25.4 percent said the government should not cling to the four-way talks idea because North Korea would hardly agree to it.

ROK Plans To Disburse LWR Costs From N-S Cooperation Fund

SK1908051596 Seoul TONG-A ILBO in Korean
19 Aug 96 p 2 — South Korea's second-largest and second-oldest daily newspaper

[Report by Mun Chol]

[FBIS Translated Text] It was learned on 18 August that the ROK Government plans to disburse partial costs for aiding the light water reactor (LWR) project for North Korea, which is being advanced by the Korean Peninsula Energy Development Organization (KEDO), from the South-North Cooperation Fund.

An official of the Office of Planning for the LWR project stated: "The LWR construction is scheduled to begin within the year. However, the ROK, the United States, and Japan have delayed an agreement on cost sharing. Thus, a plan is under consideration to expend partial costs for the construction from the South-North Cooperation Fund."

He explained: "If the three countries agree upon cost sharing, the required cost for the project will be secured through such means as issuing national bonds or introducing loans."

Prior to this, the ROK Government borrowed six million dollars from the South-North Cooperation Fund and remitted the money to KEDO on 9 July in accordance with the decision of the Promotion Committee for South-North Exchange and Cooperation, the money to be used for such preproject service charges as the cost of the LWR site survey.

ROK Novelist Under Investigation on Illegal Entry to DPRK

SK1908010496 Seoul THE KOREA HERALD
in English 19 Aug 96

p 3 — Generally pro-government English-language daily

[FBIS Transcribed Text] South Korean novelist Kim Ha-ki, who was released by North Korea after entering the North from China, is under questioning as to why he made the illegal entry into the Communist country.

Kim was whisked away by security agents upon his arrival at Kimpo International Airport Saturday after a flight from Beijing.

He told reporters at the airport, "I was under the influence of alcohol and apparently got possessed by a ghost while going into the North, but I'm very happy to be able to return home."

He was also quoted as saying, "The North is part of our homeland."

Kim said he would disclose details, including how he entered the North after he was probed by authorities concerned."

North Koreans tried to persuade him to defect to the North and settle there to begin a career as a writer while being held in captivity at an inn in Horyong, the northeastern most town of the reclusive nation.

"I was initially not given good treatment since I was mistaken for a South Korean agent, but the North Koreans change their attitude toward me after they learned I'm a novelist," he said.

Kim disappeared from a restaurant in Yangji, Jilin Province, July 30. And North Korea said Kim was questioned for his illegal intrusion charges.

He was turned over to Chinese authorities last Wednesday by North Korea, which said he was released "out of compatriotic and humanitarian considerations."

He has written award-winning novels about the lives of antigovernment student activists and North Korean agents serving prison terms in the South.

ROK 'Suspects' DPRK 'Hidden Intentions' on Opening Airspace

SK1908010796 Seoul THE KOREA HERALD
in English 19 Aug 96

p 2 — Generally pro-government English-language daily

[By Staff reporter Pae Un-chu]

[FBI Transcribed Text] South Korea appears to suspect North Korea has hidden intentions behind its plan to open its skies to over flights by foreign airlines. North Korea is critical of such suspicion.

North Korea's official Central News Agency (KCNA) reported Aug. 12 that the North Korean Government will permit foreign airlines to fly over its airspace starting this December.

"We are doing our best to promote convenience in international civil aviation and will welcome and actively help the passage of all civil airliners through our airspace," said the spokesman of North Korea's general bureau of civil aviation in a statement carried by the KCNA.

He also said that the North Korean Government has been negotiating with the International Air Transportation Association (IATA) on security issues since it applied to join IATA last June.

He was apparently criticizing South Korea when he said "some dishonest forces are spreading false rumors about our measures of opening the airspace for the sinister political purpose of slandering."

The Geneva-based IATA announced Aug. 2 that North Korea will open its airspace to foreign airlines, including those from South Korea, by the end of the year.

North Korea first announced that it would open its skies to foreign airlines at a meeting held by the International Civil Aviation Organization (ICAO) in December 1994.

In its statement earlier this month, North Korea said its plan to allow foreign airliners to fly through its airspace was one of the "great events in international civil aviation."

It said passage through its airspace would be "economically effective as it would lessen the time of flight by far, reduce the consumption of fuel and help save a lot of expenses."

South Korea, however, expressed doubts about North Korean intentions. It said it needs to confirm them through direct dialogue with North Korea.

A South Korean Government official played down news reports that Seoul is ready to provide technical assistance to Pyongyang to help the North open its air space.

"We have yet to reach an agreement (on the provision of technical assistance with North Korea)," he said.

He said that Seoul needs to take time and watch Pyongyang's moves before committing itself to providing North Korea with technical assistance.

South Korean Government officials said that North Korea lacks air traffic control towers, communication facilities and other technical devices to allow foreign airliners to pass through its skies.

In order to renew its outdated air traffic facilities, the North would charge a substantial amount of money on a foreign airline flying through its airspace, they said.

It would also receive fees for each flight, they said.

They said that those revenues could finance a North Korean project to replace its outmoded aircraft.

South Korea airline officials said that they could save up to one hour from Seoul to Vladivostok, Chicago or New York if Pyongyang opens its skies to Seoul.

Flights to and from San Francisco and Anchorage could be shortened by 30-40 minutes, they added.

ROK Prosecutors: Spy Intent on Converting From DPRK Ideology

SK1908064896 Seoul YONHAP in English
0620 GMT 19 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 19 (YONHAP) — The North Korean spy who was caught on July 3 in Seoul is showing signs of converting from his pro-North Korean attitude, prosecutors said Monday.

Chong Su-il, 62, under the guise of Mohammad Kasso, a Lebanese-Filipino, was indicted Monday for violating the National Security Law. He was working as an private history professor at Tankuk University when he was caught faxing a document to North Korea at the Seoul Plaza Hotel on July 3.

"Throughout the prosecution's investigation, Chong has strongly tried to resist adapting to life in South Korea," a prosecution official said. "But he's become skeptical about his past espionage activities and has shown signs of converting."

"Though Chong has not clearly or definitely expressed any intent to convert, it's expected that he'll have a much different position in court than the one he harbors now."

Chong has also denied that he tried to induce support for North Korea from politicians, scholars and dissident leaders in the South while acting as a spy, prosecutors added.

The former professor at Pyongyang Foreign Language University entered the country on a student visa in April 1984 and completed a course at the Korean Language Institute of Yonsei University. He then secured his professorship at Tankuk University in February 1990 and later received his doctorate in history there.

Beginning in June 1984, he received 161 espionage instructions from his superiors via short-wave radio. He also supplied military and political information on 80 occasions through letters and fax from major Seoul hotels to North Korea through relay points, including one in Beijing, according to the Agency for National Security Planning (NSP).

The NSP reported that some of the reports he filed included the "latest moves of Sin Sang-ok," a famous South Korean film director who was kidnapped to the North but later escaped, "check points and anti-tank barriers between Seoul and Panmunjom," "analysis of the April general elections," "production of K1A1 tanks" and "military equipment procurement program."

ROK: UN's DHA 'Strongly' Urges Assistance to DPRK

SK2008023096 Seoul YONHAP in English
0118 GMT 20 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] United Nations, Aug. 20 (YONHAP) — The United Nations's Department of Humanitarian Assistance (DHA) strongly urged all UN member nations Monday to positively assist and support farming and road rehabilitation efforts in North Korea, which was recently hit again by devastating floods.

Eight provinces, particularly North and South Hwanghae Provinces, were hit by the floods, which left 3 million victims and killed 116 people, the DHA reported.

Emphasizing the heavy crop damage suffered in both Hwanghae Provinces, considered the breadbaskets of North Korea, the DHA estimated total damage at 1.7 billion U.S. dollars.

It called on the UN development organization and the Food and Agriculture Organization to jointly engage in all types of relief efforts for the North again.

Last June, the United Nations called on the world to donate 43.6 million dollars for flood relief in North Korea, but thus far, only 17.5 million dollars or about 40 percent of the target amount has been secured, mostly from South Korea, the United States and Japan.

ROK: Some Land Seized in Occupation Still Registered to Japanese

SK1508004596 Seoul THE KOREA TIMES in English
15 Aug 96 p 8 — Daily English-language newspaper published by HANGUK ILBO

[FBIS Transcribed Text] Over 62 million square meters (18.9 million pyong) of land confiscated by Japan colonialists during their occupation of Korea still remains registered in their names, according to a survey. The size of the land is 21 times that of Yoido islet in Seoul.

Most Japanese "assets" were nationalized right after National Liberation on Aug. 15, 1945. However, statistics showed that in 1992, 297 million square meters (90 million pyong) of land had yet to be nationalized. As of May this year 78.7 percent of the land had "reverted" back to Korea.

Meanwhile, the government-nationalized a total of 1.87 billion square meters (568 million pyong) of land that was unclaimed or registered in the names of Japanese colonialists since 1985, and it expects that the nationalization project will be completed by the end of the year.

South Cholla Province had the largest amount of land still registered under Japanese names at 68.3 million square meters (20.7 million pyong) in 1992. The government has nationalized 64.4 percent of it since then.

South Kyongsang Province had 50.8 million square meters (15.4 million pyong) registered under Japanese names in 1992. However, 97.8 percent was nationalized as of May this year.

North Cholla Province had 52.8 million square meters (16 million pyong) and 42.5 million square meters (12.9 million pyong) has been taken back. In the case of South Chungchong Province 36.6 million square meters (11.1 million pyong) was registered under Japanese names, but 31 million square meters (9.4 million pyong) of this has now been nationalized. There was 2.59 million square meters (785,000 pyong) of "Japanese" land in Seoul in 1992, and 88 percent has been nationalized. All of the 6.6 million square meters (2 million pyong) of land owned by Japanese in Pusan has been brought back under Korean control.

ROK: Foreign Ministry Official Denies Rumors of Akihito Visit

SK1608040896 Seoul YONHAP in English
0256 GMT 16 Aug 96
— Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — Japanese Emperor Akihito's visit to South Korea will be thinkable only when the peoples of both countries welcome it uniformly, a Foreign Ministry official said.

The official dismissed as groundless a Japanese press report hinting at the possibility of Seoul and Tokyo secretly negotiating Akihito's visit to Seoul, reiterating Seoul's such position President Kim Yong-sam set forth in talks with Japanese Prime Minister Ryutaro Hashimoto last June in Cheju Island.

ROK: Kia Executive Dies After 'Terrorist Attack' in PRC

SK1708010796 Seoul YONHAP in English
0007 GMT 17 Aug 96
— Semiofficial news agency of the ROK

[FBIS Transcribed Text] Beijing, Aug. 17 (YONHAP) — Another South Korean national fell victim to a terrorist attack in China Friday.

A South Korean business representative based in Yanji, Jilin Province, was assaulted and killed by two unidentified attackers some five meters away from his office at around 5:30 PM Friday (0830 GMT 15 August), the South Korean Embassy here said.

Identified as Pak Pyong-hyon, 55, an executive of the Kia Business Group supervising the Kia Training Institute in Yanji, he died while being rushed to a nearby hospital after the attack, the embassy said.

The attackers stabbed him in the waist with what seemed to be a poison needle having the shape of a ballpoint pen, embassy officials said.

Pak was leaving his office and going to a restaurant to dine with two visitors coming from South Korea.

Local police are poised to conduct an autopsy to determine the exact cause of death as soon as Pak's relatives arrive in Yanji from Seoul.

The Kia Institute, having a 10-member staff comprised of two South Koreans and eight Chinese, conducts automobile-related vocational training programs.

ROK: Kia Motors Preparing Dealership Network in Australia

SK1608080196 Seoul YONHAP in English
0540 GMT 16 Aug 96
— Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — Kia Motors Co. is preparing to enter the Australian car market by establishing a dealership network sometime around September, business sources said Friday.

The Korean carmaker is going to set up a company, tentatively dubbed Kia-Australia, which will be authorized to import and sell Kia car models including small cars and trucks beginning this fall, according to the sources.

Japan's Itochu which has 2 percent stake in Kia will be responsible for initial capitalization of 4 million U.S. dollars.

Kia-Australia will set up 3,050 dealerships in various locations in Australia by 1997, and plans to sell about 10,000 units a year by 1998, the sources said.

Australia's car market has been growing rapidly in recent years, and last year alone about 640,000 vehicles were sold, encouraging the Korea's second largest carmaker to step up marketing in Australia.

ROK-Hong Kong Aviation Talks Break Off

SK1708020496 Seoul THE KOREA HERALD in English 17 Aug 96 p 8

[FBIS Transcribed Text] Aviation talks between South Korea and Hong Kong, which opened in Seoul Monday, broke off because the two sides failed to reach an accord in key issues.

At issue were increasing flight frequency on the existing routes and opening up a new route.

Korean aviation officials say that despite a steady rise in air traffic demand between the two countries, Hong Kong is maintaining a conservative policy in expanding the services.

According to figures released by the Korean Ministry of Construction and Transportation, the air traffic demand between Seoul and Hong Kong recorded an average growth rate of 11 percent annually from 1992 to 1995.

Load factor of the Seoul-Hong Kong route marked an impressive 72 percent on average in this January-June.

With respect to opening a new route, Hong Kong requested Seoul to allow its Dragon Air to operate a regular passenger service between Pusan and Hong Kong.

In return for it, Seoul asked to open another passenger service between Cheju Island and Hong Kong in which Hong Kong showed little interest.

As for increasing flight frequency on existing routes, Seoul wants to boost the level of air cargo service between the two countries, a move Hong Kong opposes

Instead, Hong Kong wants to switch its unused once-a-week cargo service on the, Pusan-Hong Kong route to the Seoul-Hong Kong route.

Korean officials complain that Hong Kong's demand to change the service is preposterous in view of the fact that Hong Kong declined Seoul's request to help Korean carriers to secure three unused slots at the Kai Tak Airport on grounds that there were no slots available at the airport.

The Korean delegation was led by Kim Kwang-chae, director of the international air transport division at the Ministry of Construction and Transportation, while M.J. Arnold, principal assistant secretary of the air services unit of the economic branch, represented Hong Kong.

ROK: Indonesian Sailors Seize 4 ROK Trawlers Over Wage Dispute

SK1708074396 Seoul YONHAP in English
0719 GMT 17 Aug 96
— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Pusan, Aug. 17 (YONHAP) — The Indonesian seamen of four fishing boats belonging to a bankrupt South Korean fishery firm recently overwhelmed outnumbered Korean crewmen in the Indian Ocean and took control of the boats, it was learned here Saturday.

The four ships seized were deep-sea trawler Namhae No. 006, No. 007, No. 008 and No. 009 owned by the Handu Fishery Co. which was bankrupt on last July 31.

Fifteen to 20 Indonesian seamen were in each boat manned by three to nine Korean officers and seamen each.

Reports reaching Handu said the Indonesian crewmen rebelled on Thursday holding Korean crewmen in cabins and forcing the vessels to sail toward Indonesia.

The Indonesians were demanding their back wages totaling 120,000 dollars which Handu failed to pay due to financial difficulties.

Similar rebellion also occurred on two other ships of Handu — Handu No. 502 and No. 207, but as there were more Korean crews aboard the two ships than Indonesians, the Korean officers dissuaded the rebels and the ships gave up fish-catching operation and were heading for Pusan.

Handu Fisheries Co. has a total of 12 vessels — 10 fishing boats and two transports. Indonesians have been working on Korean fishing boats under a Korea-Indonesia local employment agreement of 1992.

ROK: Singapore Offers To Invest In Kadok Island Port Project

SK1508024796 Seoul YONHAP in English
0229 GMT 15 Aug 96
— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 15 (YONHAP) — The Singaporean Government has offered to invest in the Kadok Island port construction project off Pusan, South Korea's largest harbour.

Khoong Teng-Chy (name as received), chief of the Maritime Port Authority of Singapore, told officials at the Maritime Affairs and Fisheries Ministry Wednesday that his country is interested in participating in the private-capital funded part of the port construction project on Kadok Island.

The Singaporean Government official told the Korean officials that he was looking for an opportunity to make available Singapore's port management technology to the Kadok Island port development project, and hoped that the Korean Government would offer those opportunities to Singapore, said ministry officials.

He also visited Samsung Co., which is a leading private firm in the Kadok port project, and has offered to share 10 percent of the private investment funds that would go into the project during his talks with the company's vice chairman Yi Pil-kon.

An official from the Maritime Ministry said the current laws do not prevent foreign corporations from investing in private-funded public projects, and it is up to the private firms as far as the Singaporean investment offer in the project and its share are concerned.

Director Yim Kon of Samsung Co. Construction Division said he thought that domestic private firms involved in the project have already secured enough funds and therefore do not need to seek foreign funding at this stage.

He went on to say, however, that they would probably seek foreign investors and consider the Singaporean offer, if they have trouble forming a consortium by themselves to participate in the Kadok Island port project.

The Singaporean official, who arrived in Seoul, Tuesday, is to call on a number of shipping companies in Korea such as Hyundai Merchant Marine, and Choyang Shipping to promote their use of Singaporean port facilities for their vessels before departing Friday.

ROK: Daewoo Announces Joint TDX Circuit Plant in Ukraine

SK1608084096 Seoul YONHAP in English
0520 GMT 16 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — Daewoo Telecom announced Friday that it has concluded a contract with state-run Dniepropetrovsk Machine Building Plant (DMBP) [name as received] from Ukraine to set up a joint-venture Time Division Exchange (TDX) factory in the Ukrainian City of Dniepropetrovsk.

Daewoo and DMBP will invest 10 million U.S. dollars on an equal basis to build the Dniepro-Daewoo plant.

The joint-venture factory, whose projected annual production capacity is 300,000 circuits, is scheduled to begin operations in April 1997.

The plant plans to export 3 million circuit TDX over the next decade to CIS and East European countries, a Daewoo official said.

ROK: Firms Having Difficulty Floating Convertible Bonds Overseas

SK1508010996 Seoul THE KOREA TIMES in English
15 Aug 96 p 9 — *Daily English-language newspaper published by HANGUK ILBO*

[FBIS Transcribed Text] Many Korean companies are rescheduling their planned issue of equity-linked bonds such as convertible bonds overseas as they encounter

difficulty in finding foreign investors to underwrite them.

Bankers and brokers here said that Korea Electric Power Corp. (KEPCO) raised 200 million dollars through convertible bond [CB] issues, down from the original 300 million dollars. Issuing terms have also worsened.

In the past, such blue chip firms as KEPCO did not pay interest to holders of its convertible bonds as long as holders wanted to change the CBs into underlying stock at the time of maturity. But this time, KEPCO will pay an annual interest rate of 5 percent to its CB holders even if they are guaranteed converting the CBs into underlying stock upon maturity.

Samsung Electronics plans to raise 150 million dollars overseas via convertible bond issues next month. But it has not yet finalized details of the issuing program because of less enthusiastic attitude among foreign underwriters, they said.

Unlike the past, foreigners are less enthusiastic in buying Korean equity-linked bonds because the underlying Korean stock market is in deep doldrums. A slump in the underlying stock market negatively affects holders of the equity-linked convertible bonds because CB prices are closely linked to underlying stock prices.

ROK Trade Deficit Surpasses \$10 Billion Mark in Jul

SK1603070696 Seoul YONHAP in English
0519 GMT 16 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 16 (YONHAP) — Last month, South Korea suffered two uneasy economic results.

One was the nation's exports entered in the negative territory for the first time in 42 months, and the other one was that the nation's trade deficit surpassed the 10 billion U.S. dollar mark.

According to the "Exports and Imports in July" released Friday by the Korea Customs Service (KSC), the nation exported 10.11 billion dollars on a customs clearance basis, down 3.6 percent from a year ago.

On the other hand, imports soared 13.6 percent to 12.84 billion dollars last month, causing a trade loss of 2.7 billion dollars.

The nation had 75.21 billion dollars in exports between January and July 85.60 billion dollars in imports, up 9.4 percent and 11.8 percent, respectively, which resulted in a shortfall of 10.39 billion dollars, according to the authorities.

ROK Government Instructs Overseas Missions To Step Up Guard

SK1908012896 Seoul THE KOREA TIMES
in English 19 Aug 96 p 1 — Daily English-language
newspaper published by HANGUK ILBO

[FBIS Transcribed Text] With a rising number of Koreans falling victim to terrorist attacks during their overseas stay, the government has instructed Seoul's missions to step up preparation for possible attacks against Korean communities and businessmen.

Seoul's missions were specifically advised to implement measures, taking into account characteristics of each region considered to be vulnerable to terrorist attacks.

On Friday in Yanji, northeast China, Pak Pyong-hyon, an executive of Kia Motor Co., was murdered by two unidentified attackers with what appeared to be a poisoned needle.

The incident took place on his way from his office to a nearby restaurant. He died while being rushed to a hospital. At the time, he was supposed to have dinner with two visitors from South Korea.

Pak, 55, was in charge of supervising Kia's training center in Yanji, which has a 10-member staff that includes two South Koreans and eight Chinese.

Local police conducted an autopsy to determine what caused his death yesterday shortly after the arrival of Pak's relatives.

Kia also dispatched a fact-finding mission to the region to take a thorough look at the incident and set up necessary measures.

On Thursday, 21 Korean seamen engaging in fishing off Indonesia were kidnapped and detained by Indonesian sailors in an act of mutiny.

On Wednesday in Trincomalee, northeast Sri Lanka, two men, believed to be members of the Liberation Tigers of Tamil Eelam (LTTE), bombed a building in which the local offices of Korea Telecom and Samsung Electronics were located. However, there were no reports of injuries among the Korean workers.

Despite the successive incidents, many overseas Koreans still remain vulnerable to further terrorist attacks because many of them are based in Chinese towns where North Korean agents are active or in areas plagued by confrontations between the government and rebel forces.

Especially in northeast China, the number of Korean tourists has shown an explosive surge and many of them are tempted to visit restaurants run by North Koreans or ethnic Koreans having ties to North Korea.

Since Korean is widely spoken among ethnic Koreans in the region, many tourists make individual visits to North Korean-run taverns or karaoke bars. Some of them have already become the target of criticism from the locals for their "ugly Korean-style" acts.

Officials said that the government will take actions to dissuade tourists from making individual visits to North Korean-run pubs, drinking heavily during these trips, or acting offensively to the local residents.

Last year, Rev. An Sung-un from the Yoido Full Gospel Church was abducted by North Korean residents to Pyongyang and it is not certain whether he will be repatriated. North Korea has alleged that he voluntarily entered North Korea and China has refrained from making strong protests against North Korea's terrorist acts.

Seoul has sought to establish a consulate general in Shenyang to protect South Korean residents and tourists, but China is lukewarm over Seoul's request apparently in consideration of the North's negative reaction.

Meanwhile, the government is considering taking measures to protect Koreans working in jungles or disputed regions, especially in Southeast and Southwest Asia.

Initially, Seoul asked the Sri Lankan government to take necessary actions to prevent the recurrence of a terrorist attack on Korean targets, a Foreign Ministry official said.

Seoul's missions in the regions were instructed to step up a channel of communication with the host governments to ensure swift protection, evacuation and rescue activities.

The government will also instruct regional offices of Korean companies to take "safety first" measures instead of pushing ahead with their missions in a reckless manner.

ROK: Textile Group Asks To Import 20,000 More Foreign Workers

SK1508003396 (Internet) The Digital Chosun Ilbo
WWW in English 1212 GMT 14 Aug 96

[FBIS Transcribed Text] The Korean Textile Industry Federation urged the government on Wednesday to specially allow 20,000 foreign industrial engineering trainees to Seoul in order to resolve manpower problems currently facing the domestic textile industry. The Federation said that according to research on 40 textile businesses, the manpower shortage was estimated at 14.5%, worst than the end of last year's 11.8%. This situation particularly impacts small and medium-size cotton and textile businesses. Currently the manpower shortage rate

is 69.6%: in electronics embroidery (34.5%), clothing (28.4%), and knitwear (7.8%).

ROK Decides To Employ Foreigners on Offshore Fishing Boats

SK1708024896 Seoul THE KOREA TIMES in English
17 Aug 96 p 8

[Report by staff reporter Sim Chae-yun]

[FBIS Transcribed Text] Foreigners will be employed to work on offshore fishing boats from next month.

The Ministry of Maritime Affairs and Fisheries, in a bid to cope with the chronic shortage of labor for fishing boats, has decided to allow the hiring of some 1,000 workers.

The ministry plans to increase the number of foreign workers from next year after it corrects possible problems that result from hiring them.

The first group of workers will come from China and Indonesia. The National Federation of Fisheries Cooperatives (NFPC), designated as the agent to this end, has recently signed contracts with 21 manning firms of the two nations for employing the workers. A ministry official noted that fisher men will be also hired from Vietnam, Bangladesh and Myanmar [Burma] next year.

The defunct National Fisheries Administration had pursued a plan to introduce the foreign fishermen but failed to do so due to conflicts with related ministries like the Justice Ministry concerning the management of the migrant workers.

Under the new program for the foreign workers, the responsibility of organizations contracting the industrial trainees will be fortified greatly to minimize possible defection by them from work places.

For example, the organizations will have to pay \$200 in deposit per worker brought in, which they will be paid back upon their returning home, a ministry of official said.

And companies hiring the workers will be required to deposit a portion of their wages in bank accounts which the workers will receive once the contract expires.

The migrant workers will be paid 500,000 won a month during the first year and will get bonuses and retirement allowances after the first year, said an NFPC official.

The basic contract will run two years and can be extended by one year. The workers will be selected from those with fishing experience of six months or more.

Ethnic Koreans living abroad will be given top priority. A consultation center will be set up at the NFPC

building in southeastern Seoul to prevent possible human rights violation against the foreign employees. At present, there are some 6,100 ships employed in coastal fishing requiring some 52,500 crew members. But only 80 percent or 41,900 fishermen are met by local labor market.

ROK: KERI Urges 'Prudence' Toward Work System for Foreign Labor

SK1908005196 Seoul THE KOREA HERALD
in English 19 Aug 96

p 9 — Generally pro-government English-language daily

[FBIS Transcribed Text] Prudence is needed on the part of the government before introducing the work permit system for foreign labor, a local research organ said.

Even if the government decides on the system's introduction, it should experiment first with those industries and companies which have highly elastic demands for foreign labor, while maintaining the present worker trainee system for the others, it said.

The Korea Economic Research Institute (KERI), affiliated with the Federation of Korean Industries (FKI), made these and other suggestions in a recent paper entitled "Unskilled foreign labor and the work permit system."

It estimated the number of foreign workers in Korea to be more than 100,000, or 1 percent of the total work force.

The work permit system, which calls for imposing employment taxes on the firms which hire foreign workers and provides the expatriate employees with equal treatment in wages and working conditions by law, will sharply increase the social burden, the report said.

It cited two impacts the legal employment of foreign labor will have on the domestic economy.

First, the import of low-cost foreign labor will enable consumers to buy products at cheaper prices, while increasing the profits of businesses and boosting their reinvestment capacity. These will bring about sustainable economic growth which will in turn serve to increase the wages and improve the working conditions of skilled Korean manpower, the report said.

On the other hand, the wages and working conditions of unskilled domestic workers who can be replaced by foreigners will sharply decline, and their potential entry into the labor market will also be blocked, it said.

On purely economic terms, the lawful import of foreign labor has more positive effects but its influx is also

feared to bring about considerable social burdens here, it said. The report cited specific examples of such social burdens as rising unemployment, shortage in social capital, human rights problems and social as well as national conflicts.

ROK: Annual Ulchi-Focus Lens Exercise 'Set Off'
19 Aug

SK1908014496 Seoul YONHAP in English
0123 GMT 19 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 19 (YONHAP) — The annual Ulchi-Focus Lens command post exercise set off early Monday morning, as the Defense Ministry declared "the Ulchi Condition 3" across the nation at 1:00 AM.

Defense Minister Yi Yang-ho called a crisis management committee meeting at the ministry, with Joint Chiefs of Staff Chairman Gen. Kim Tong-chin, Vice Defense Minister Yi Chong-nin and representatives from the three services attending.

He told the meeting that since the exercise is being conducted at a time of increasing danger of North Korea's reckless provocation due to its worsening socio-political unrest as a result of severe food shortages, the Armed Forces should assume a posture that makes the exercise a simulation of a real war.

At 2:30 AM, Lt. Gen. Pak Yong-ok, the ministry's chief policy officer, called an action team meeting to discuss issuing a general mobilization order, calling an emergency ROK-U.S. Security Consultative Meeting and taking diplomatic steps to deter North Korea from military provocations.

ROK: Purpose, Details of Ulchi Exercise Reported

SK1808025596 Seoul YONHAP in English
0218 GMT 18 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 18 (YONHAP) — Ulchi exercise, to test the nation's preparedness for emergencies including war, will be held from tomorrow until Friday [19 to 23 August], the government announced Sunday.

During the national emergency exercise, the government offices across the country involving all government administrative units will hold emergency meetings, trainings and other exercises under mock crisis situations to test the nation's crisis management readiness.

The exercise, this time, is aimed particularly at strengthening the preparedness of the country for all kinds of emergency situations and boosting the public security

awareness, and therefore, has included a number of drills that will involve public participation.

Night curfew, tap water supply stoppage, the 10-part driving day system, mock air raid drills, fire drills, and terrorist attacks will be part of the national exercise. These drills will be held by local administrative units at random, without warning.

ROK: Student 'Unification Rally' Protests Detailed

SK1508015496 Seoul YONHAP in English
0142 GMT 15 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 15 (YONHAP) — Some 7,000 students from the Korean federation of university councils (Hanchongnyon) staged violent protests early Thursday morning, the last day of their three-day unification rally, in front of the main entrance of Yonsei University and many places in downtown Seoul.

Despite riot police's blitzkrieg raid of the university campus Wednesday afternoon to break up an outlawed pro-unification rally sponsored by the National Alliance of Youth and Students for the Fatherland's Reunification (Pomchonghangnyon), some 2,500 students congregated on the campus later in the evening, and continued to proceed with their programs through the night. Pomchonghangnyon is an association of South and North Korean and overseas Korean students.

Some 200 students rushed out the entrance at 5:40 AM, and staged strong protests, throwing molotov cocktails, while occupying streets. As a result, traffic in the area was completely paralyzed during the morning.

Prior to this, some 4,000 students, who had been coercively dispersed by police, re-entered the Yonsei campus around 5:00 AM, and some other 1,000 students clashed with riot police in many routes to Panmunjom, where they had originally planned to hold a rally to declare the truce village a "peace zone."

As their plan ended in failure, the students returned to the downtown area, and staged violent protests in the morning.

Police prepared for emergencies by stationing some 21,000 riot police near the university, in downtown and on main roads to Panmunjom.

Clashes between students and police have so far resulted in some 220 injured on both sides.

ROK: Editorial on 'Growing Vehemence' in Student Demonstrations

SK1708015596 Seoul THE KOREA HERALD
in English 17 Aug 96 p 6

[Editorial: "Violence in Student Activism"]

[FBIS Transcribed Text] The recent outbreaks of violence here, sparked by student protests on the occasion of Liberation Day, are cause for alarm—particularly since they show signs of growing vehemence. Regardless of one's feelings about the student demonstrators' motivations, many of us would prefer to believe that acts of violence so disruptive to public order have been rendered a thing of the past.

Therefore, we welcomed the government's call for a national effort to end this wave of campus disturbances, one largely triggered by leftists connected to the Korean Federation of University Student Councils, or Han-chongayon. In addition, cabinet ministers have been instructed to hammer out measures stamping out further demonstrations and tracking down those behind-the-scenes student leaders who engineered the disturbances in the first place. Obviously, the government's first responsibility must be the protection of the public.

The most salient aspect of these confrontations has been the increased willingness of student radicals to use violent means, such as hurling Molotov cocktails and wielding lead pipes. Homemade bomb attacks are nearly 10 times more frequent this year than in the same period a year ago, according to police. Moreover, the students' assertions have taken on a more leftist tone, often mirroring the official positions of the Pyongyang regime.

They should examine their slogans more deeply, that is, unless they are in full support of Pyongyang's aggressive goals. Now that the government of the North has already completed war preparations, it is currently stepping up its program of psychological warfare against the South. We must be on guard against such tactics, since appearing gullible to the Pyongyang Communists would only tempt them toward increased militarism. We must all avoid playing into the hands of Pyongyang's psychological strategy, which is aimed at creating internal division.

The radicals' doctrines, which condemn capitalism, strongly support the creation of a classless society: a concept that has proven inapplicable even in Communist countries. Nevertheless, they have managed to win over a good number of their fellow students by coaxing them into believing in this as well as in other unrealistic goals.

At this critical historical juncture, we can't afford to waste further time and energy with prolonged campus

disturbances which jeopardize our social and political stability. Leftist maneuvers of the sort we have seen recently, if left unchecked, could threaten all that we have achieved over the years.

It's time to protect the vast majority of innocent students from radical influences that can only lead them to self-destruction. If we allow these extremists with their outdated goals to prevail, it will serve no one's interests in the end. Given our partitioned nation's harsh reality, with its northern half dominated by belligerent Communists, we cannot afford to remain indifferent to those who, in other circumstances, would seem laughable anachronisms.

Universities and colleges should be infused with the vitality of youth as well as an enthusiasm for scholarship. Since applying oneself to one's studies is the central obligation of academic life, it shouldn't be hampered by often irrelevant extracurricular distractions and considerations.

The truth is that the overwhelming majority of students are devoted to their studies and should be spared the temptation of drifting into a brand of political activism that is designed to foment social unrest. Our nation's youth constitutes its most valuable resource, and we cannot afford to have them waste any more valuable time in acts of public disorder.

It's true that liberalization has become the rallying cry in every sphere of society these days—and there's no doubt that our institutions of higher learning deserve their share. But this can and should be carried out in a manner that doesn't undermine law and order. By now, one would have hoped that our universities and colleges had transcended a past characterized by chaos and languor.

Isn't it about time that these institutions cultivate their credibility as repositories of our intellectual heritage and breeding grounds for our nation's future leaders? We need to consider the long-term implications of the radicals' disruptive influence. Perhaps, then we would more actively oppose their attempts to undercut our interests.

ROK: Demonstrators Decline To Meet With Education Minister

SK1808110696 Seoul YONHAP in English
1011 GMT 18 Aug 96
— Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 18 (YONHAP) — Education Minister An Pyong-yong offered to meet with leaders of the demonstrators barricaded at the science

building of Yonsei University, but the demonstrators refused to meet him Sunday.

The student-demonstrators, some 1,100 strong, still holed up at the building, blamed the police for the situation, requesting police assurance that every one of them would go home safely.

The education minister, in a meeting with Yonsei University officials during a visit to the university this morning, said the government has decided that Hanchongnyon is an enemy-friendly organization, which sides with North Korean causes, and therefore, every student who participated in the demonstrations would be arrested. He called on the Yonsei University officials to persuade the barricaded students to break up for peaceful settlement of the situation.

A group of Yonsei University professors, in a statement, called on the students to get out of the science building before a greater damage is done to the building and lab facilities there, for an earlier settlement of the development, and the recovery of education and research activities at the science building.

ROK Daily Denounces Riots by Chuche Faction Students

*SK1808110896 Seoul CHOSON ILBO in Korean
18 Aug 96 p 3 — South Korea's largest and oldest daily;
strongly nationalistic and anti-North Korean*

[Editorial: "Hypocritical Theories"]

[FBIS Translated Text] A number of hypocritical theories are being forged concerning the recent riots staged by the chuche idea faction. First, there is an ambiguous theory vaguely defining such riots as an expression of "the students' desire for reunification."

The chuche idea faction asserts that it desires "reunification," stresses "nationalism" and "independence," and advocates "conciliation" and "peace." However, this is a deception and a trap. In their terms, "Reunification," "nationalism," "conciliation," "peace," and "independence" mean the ideology to change the ROK into a format for "national liberation and people's democratic revolution." The words have different meanings from those that are in the dictionary. However, many people overlook this point and talk about "the students' desire for reunification" and habitually think positively of their "purity."

Another hypocritical assertion is that the police "blockade" and "suppression" caused the students' "self-defensive" violence. This assertion means that had there not been a blockade, the pro-North Korean rally would have finished without trouble; that the police asked for trouble; and that the police should not have inter-

vened regarding the illegal rally. What government in the world would sit back and watch illegal activities? In that case, would the government not be a scarecrow?

A most recent theory is that the situation has worsened because the police are encircling the students and not letting them return home. After days of illegal activities, should the violence be forgotten, and should the police not enforce the law? This should not happen in human society. During the past dictator's regime, the people agreed that students who participated in the demonstration calling for "an end to military government" and "the abolishment of the Yusin revitalization" should be returned home safely. However, with democratization progressing, such an extralegal exception cannot be applied to the chuche idea faction.

The chuche idea faction violated the national law and went to the North to lay flowers before Kim Il-sung's statue, and it showed up at Panmunjom with the communists and shouted all sorts of antinational slogans. Its members turned streets into ruins in the middle of the capital, seized other students' university buildings, destroyed furniture and facilities, defied the ROK's legal order and law enforcement power as an enemy, and used steel pipes and fire bombs in their struggle. Letting them return home safely is unjustifiable under any law. Such a demand is shameful. We should challenge the hypocritical theories prevailing in the middle of the riots, and should unmask the lies.

ROK Daily Stresses Need to 'Uproot' Pro-Communist Forces

*SK1808075196 Seoul TONG-A ILBO in Korean
18 Aug 96 p 3 — South Korea's second-largest
and second-oldest daily newspaper*

[Editorial: "The Violent Pro-North Group Should Be Eradicated"]

[FBIS Translated Text] We treasure and try to take special care of youths, particularly students, because they are our hope for shouldering our future. We are generous of their erratic acts, if not too serious, because we believe their pureness. However, the illegal, extremely violent demonstrations of the Korean Federation of University Student Councils [Hanchongnyon] which has turned the Sinchon, Seoul area into a lawless land over the last week went beyond the limits of our generosity, no matter how we try to be patient and understand.

The action group of Hanchongnyon is more organized and militarized than urban guerrillas, even though they do not carry guns and bayonets with them. Is there any other country on earth where a mob of thousands of men armed with molotov cocktails and iron bars,

weapons that can kill people, indiscriminately attacks in broad daylight and in the heart of the nation's capital the police, the symbol of the state's public authority, and goes unpunished? The ghastly scene of the mob beating and trampling a fallen riot policeman, in which the kneeling policeman begs for mercy like a captured prisoner, leads the people to despair with rising indignation.

Hanchongnyon should not go unpunished for at least two reasons, namely, the enemy-benefiting nature of its slogans and assertions and the violence of its acts. We cannot let the anachronistic leftist forces go unpunished — the leftist forces that openly chant the slogans of the dying Pyongyang regime, such as the withdrawal of U.S. troops from the ROK, the abolition of the National Security Law, and reunification through a confederal republic of Koryo; denounce the government elected by the people as an antireunification group; and that shake the state's very foundation. North Korea went so far as to issue a statement that Hanchongnyon's demonstrations must have dealt the South Korean regime a heavy blow.

What did authorities do in the meantime? The civilian government's indecisive policy toward the North, its confusing line in dealing with the North in the early stage of its inauguration, and its easy-going measures regarding the leftist forces are largely responsible for today's situation. The police crackdown should have been more effective and resolute, although they had to be prudent to minimize losses. Someone should be held responsible for today's terrible situation, where the whole country has been driven into an extreme shock and a university campus has been turned into ruin.

While undergoing this development, a national consensus has been confirmed, that is, violent demonstrations should not be tolerated any more, no matter what reason or cause the demonstrators may uphold. No one except the Pyongyang regime applauds Hanchongnyon's destructive violent demonstrations. Legal demonstrations should be protected, but the normal development of a community is impossible in an environment of such disorder and unrest, where molotov cocktails and tear gas are rampant. The forces that disregard, reject, challenge, and destroy law and order do not deserve to enjoy rights and freedom as ROK citizens, no matter who they may be. The resoluteness of the law should be proven against them.

Hanchongnyon has proven itself to be a hostile leftist force that challenges head on the ROK Constitution, which is founded on the liberal democratic system. Hanchongnyon is not a genuine youth organization. Relentless punishment of Hanchongnyon is unavoidable

in order to protect the nation's security and to protect the good majority of students from it.

We underwent great hardships in building a country and suffered greatly in fostering democracy in this country. We cannot allow a pro-communist group with a small number of members to destroy this overnight. Even after suppressing the demonstration, we need to track down to the end the true entity of Hanchongnyon and thoroughly uproot the evil root. By so doing, we should make this an opportunity for eradicating violent student demonstrations and restoring the government's authority.

ROK: 'Standoff' Between Students, Police 'Nearing' Final Stage

SK1908013896 Seoul YONHAP in English

0119 GMT 19 Aug 96

— Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 19 (YONHAP) — The three-day-long standoff between militant students and riot police at two Yonsei university buildings appears to be nearing its final phase amid conspicuous signs of an increasing number of protesters getting exhausted both nervously and physically.

More than 10 students stopped their sit-in voluntarily or were taken away to hospitals from Sunday evening through early Monday morning.

Nearly 10 exhausted students, some of them women, were rushed to a nearby hospital by ambulances Sunday night and early Monday morning, while five other students left the buildings on their own for health reasons and were taken away by police Sunday afternoon.

The longer the confrontation lasts, the more students are likely to leave due to exhaustion, police officers said.

The student activists, who have been holed up in the science hall and the composite hall buildings since Saturday, have eaten almost nothing in the past three days and have shown signs of psychological instability and exhaustion.

The police, who stormed the campus at 11:30 AM Saturday and cordoned off the buildings with some 5,000 troopers, have completely blocked the supply of food and medicines to the students.

In preparation for a final roundup operation, the police brought three eight-ton trucks, two high-ladder vehicles, mattresses and wreckers to the buildings Sunday evening.

Some 1,000 students who assembled at Hongik and Konkuk Universities staged surprise demonstrations

near Yonsei University including the Sinchon Rotary Sunday afternoon to protest police suppression, paralyzing traffic for a while.

ROK: Police Haul Away Some 1,000 Students at Yonsei University

SK2008005196 Seoul YONHAP in English
0030 GMT 20 Aug 96
— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 20 (YONHAP) — Police stormed into one of the two Yonsei University buildings where rioting students were holed up at about 5:45 AM Tuesday [2045 GMT 19 August] and hauled away some 1,000 students.

Some militant students at the building, Composite Hall, violently resisted against the police onslaught for a while hurling firebombs, stones and chairs. In 35 minutes at around 6:18 AM, however, they expressed their intention to surrender, hoisting two white flags on the rooftop and throwing metal pipes away onto the ground. The police then stopped firing tear gas canisters and seized the building at around 7:30, one hour and 50 minutes after the operation began.

The police took the students to a number of police stations to classify them into several categories depending on the degree of participation in the riots before deciding what punitive actions will be taken against them.

The police are ready to storm the other building, Science Hall, at any time, and are studying when and how to conduct the operation.

After cordoning off the Composite Hall with about 2,400 troopers and with four helicopters capable of spraying a tear-gas solution stranding by, more than 1,200 police officers including plainclothed detectives stormed the building, after firing a volley of tear gas canisters.

Approximately 100 militant students put up a violent struggle against the oncoming police, setting fire to barricades made from chairs and desks piled in front of the entrance, wielding metal pipes and hurling molotov cocktails. There were more than 200 students on the roof throwing molotov cocktails, stones, chairs and desks at the police on the ground.

The police moved into the hall firing tear gas as fire trucks tried to extinguish the fire, but encountered some difficulty due to the barricades and smoke.

In the ensuing clashes, scores of students and police troopers were injured.

The equipment used by the police for the operation included 99 mattresses, 66 nets, 10 ladders, 1 extension

ladder, 20 large fire extinguishers, 2 water-tank fire trucks, 20 ambulances and 30 escort buses.

ROK Police Detain 2,316 Demonstrators; 69 Formally Charged

SK1908005896 Seoul YONHAP in English
0030 GMT 19 Aug 96
— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 19 (YONHAP) — The number of student demonstrators hauled off by police for engaging in violent demonstrations and trying to join the banned "grand unification festival" reached 2,316 as of Monday morning, police reported.

The figure reflects the total that have been detained since the demonstrations initiated by Hanchongnyon, the Korean Federation of University Student Councils, began last Monday, they said.

The number detained far exceeds that reported during the Konguk University incident in 1986, when a total of 1,525 students were arrested. With 1,100 still holding out at Yonsei University's science building, the number is likely to go over 3,500.

Police have formally charged and detained 69 students for throwing Molotov cocktails and have booked 153 additional suspects without detention.

A total of 221 demonstrators have been referred to a summary court and 1,196 were released. Police are still questioning 677 students.

Meanwhile, 706 riot police have been injured thus far in the demonstrations, with 172 of them sustaining heavy injuries seriously hurt. Sixty-nine of them are still hospitalized.

ROK: Some 2,000 Student Protesters Escape From Yonsei University

SK2008025396 Seoul YONHAP in English
0211 GMT 20 Aug 96
— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 20 (YONHAP) — While police were storming into Yonsei University's Composite Hall Tuesday morning, about 2,000 student protestors who were holed up in Science Hall were able to escape through the university's north gate toward Yonhui-tong beginning at 10 AM [0100 GMT].

"Students suddenly came out through the north gate in three columns and ran away toward Yonhui-tong," said one resident of Yonhui-tong, located just a few minutes away from the university.

About 20 student protesters were still in Science Hall, unable to escape due to fatigue and illness. Police are still searching for the demonstrators who escaped.

ROK: Nine-Day Sit-in at Yonsei University Ends

SK2008053296 Seoul YONHAP in English

0512 GMT 20 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 20 (YONHAP) — The violent week-long student demonstration and sit-in at two Yonsei University buildings waged by Han-chongnyon student activists or the Korean Federation of University Student Councils was brought to a close Tuesday morning, nine days after it began.

Police stormed Composite Hall at 5:43 AM Tuesday [2043 GMT 19 August] and hauled away 2,000-plus students who had been participating in the sit-in.

While the police raid was taking place at the building, more than 2,000 students who had taken control of the science hall building sneaked away toward Yonhui-tong through an underground emergency exit at around 9:45 AM, leaving some 30 exhausted students behind.

The police detained 510 of the runaway students by 11 AM Tuesday.

The violent student demonstrations began Monday of last week when the students attempted to hold the sixth "grand unification festival" under the sponsorship of the outlawed Pomchonghangnyon or the National Alliance of Youth and Students for the Fatherland's Unification.

When police began to storm composite hall at 5:40 AM, student protesters holed up inside fervently resisted by hurling molotov cocktails, stones and chairs. Thirty five minutes later, the student demonstrators expressed their intention to surrender by hoisting two white flags on the building's roof and throwing metal pipes out of the building.

Police stopped firing tear gas and seized the entire building at 7:40 AM. Police are investigating the students hauled off at police stations throughout the capital.

Approximately 10,000 riot police were mobilized for the operation with 12 helicopters flying over the campus spraying tear fluid. Included among them were 2,000 members of the "special attack squad" which led the raid on the building by firing tear gas canisters.

When the police approached, about 100 violent student protesters set fire to the barricades made of chairs and desks piled up at the entrances of the building. They violently resisted by wielding steel pipes and hurling stones and molotov cocktails. Some 200 students on the

building's roof threw stones, chairs and desks to the ground.

Police rushed inside the building and used a campus fire hose to extinguish. They had a difficult time proceeding inside because of the barricades and the smoke from the fire.

Scores of people from both sides were injured during the operation.

For an easy and safe operation, police also prepared 99 mattresses, 66 nets, 10 ladders, 20 large-size fire extinguishers, two fire trucks, one payload, one excavator and 20 ambulances, four illumination vehicles and 30 buses.

About 2,000 students, meanwhile, holed up in the Science Hall, escaped while police were busy with Composite Hall.

The students began to sneak out of the building in twos and threes at 9:30 AM by diverting police attention to a press conference they called voluntarily on the first floor of the building.

The students fled to nearby Yonhui-tong and Hongje-tong, western Seoul, and some of them were chased by police who were stationed there. About 500 students were taken to the police after they were caught fleeing.

ROK: Police Detain Total of 5,597 Students at Yonsei University

SK2008103996 Seoul YONHAP in English

1033 GMT 20 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 20 (YONHAP) — A total of 5,597 students were rounded up as of Tuesday afternoon in connection with the student rally and demonstrations begun Monday at Yonsei University in western Seoul.

On Tuesday alone, 3,225 students were caught — 2,193 rounded up in the police raid at Yonsei's composite building and 1,032 arrested while they were running away from the school's science hall during the police action toward the composite building.

Of the 2,372 students caught in the Aug. 12-19 period, 86 were placed under arrest, 167 booked without physical detention, 235 referred to summary court and 1,065 set free. The remaining 819 were still investigated.

A police source said 32 policemen were injured during Tuesday's early morning attack at the Yonsei buildings. This brings to 682 the number of the policemen injured in connection with the Yonsei University incident since Monday.

ROK Vows To Minimize Student Arrests for Demonstrations

SK2008121296 Seoul YONHAP in English
1207 GMT 20 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 20 (YONHAP) — Prosecutor General Kim Ki-su said Tuesday there will be not many students to be placed under arrest in connection with the Yonsei University rally and demonstrations.

"We will carefully determine and minimize those students to be placed under arrest for their radical activities and the remainder will be set free," Kim said.

He said it won't have any admonition effect on students even if they were referred to summary court and sentenced to several days' detention.

"We do not plan to prosecute all the students rounded up under physical detention and then set them free with the stay of prosecution as was the case with those involved in the Konkuk University incident of 1986," he said.

The prosecution is thinking of introducing some enlightenment program for those students to be released, the prosecutor general added.

ROK Daily on Prospective Presidential Candidates

SK2008093496

[FBIS Report] The Seoul vernacular daily TONG-A ILBO carries a series of articles on the prospective candidates for the ROK 1997 presidential election entitled "Those Who Are Busy Preparing To Run in the Presidential Election."

In the first installment of the series, the paper carries on 6 August on page 6 an 800-word article by reporter Yim Chae-chong that profiles Yi Hong-ku, chairman of the ruling New Korea Party (NKP).

When questioned about his willingness to run for the presidency, Yi Hong-ku said, "I do not like the atmosphere in Chongwadae [presidential offices], nor do I like to fight. DJ [Kim Tae-chung] and JP [Kim Chong-pil] have tried to become president throughout their lives, and there are many eligible men in the ruling camp. Thus, there is no reason I have to be added."

The article notes that after he resigned as prime minister late last year, Yi Hong-ku often told reporters who wanted to know his thoughts about the presidential election or about rumors of his entrance into the NKP, "I am not qualified. The position of supporter rather than leader is suitable for me. It is more help to the country for a man such as I to speak outside political circles,

rather than inside them." Because of these remarks, he was said to have a "doctrine of unselfishness."

However, as his appointment as NKP leader became most probable, his attitude became active. He then said, "If there is a position where I can serve the country, I will accept it." Because of this behavior, "his unselfish doctrine is now interpreted as a tactic." Since he became the ruling party leader, his behavior has become "more stern." Those close to him say "he has changed" and that "he seems to be preparing for something." However, aides say Yi "excessively warns himself against appearing to pursue 'self-interest.'" One of them called this a "mental block," noting that Yi Hong-ku "appears to have decided to remove the desire for the presidency from his mind." Another aide hints that Yi may think "walking indifferently, as he did before becoming leader of the ruling party, is the only way to approach the presidency." This implies that of the potential NKP presidential candidates, Yi is the one who depends most on President Kim's "mind." This is because the president's confidence in Yi began to grow after the inauguration of the current government, and "his political fate depends on how he can improve trusty relations with the president."

Observers both inside and outside political circles view Yi as "the strongest potential nominee" to be the NKP's presidential candidate. This view is based on a "rule-out theory"; that is, Yi would be the last man left after ruling out one by one potential NKP candidates because of various disqualifications. If he remains a "supporting player," his choice of who would be "the main player" would also attract public attention. It is worth reminding people that during last year's local elections, he strongly recommended former Prime Minister Yi Hoe-chang as the then-ruling Liberal Democratic Party's candidate for Seoul mayor.

On 7 August TONG-A ILBO carries on page 4 a 1,000-word article by reporter Chong Yon-uk profiling Kim Tok-yong, the first state minister for political affairs, under the headline "Minister Kim Tok-yong Is Dreaming of Being the 'ROK's Kennedy.'"

The article notes that Minister Kim has been involved in the National Assembly's Finance and Economy Committee ever since he became a national assemblyman. However, he recently chose to join the National Defense Committee after close associates recommended "he should know about the military if he wants to run for the presidency."

Many political figures who have recently met Minister Kim Tok-yong unanimously say that they heard him say, "Please support me." What they call a "Kennedy strategy" is the core line of the Kim Tok-yong

camp, following the model of former U.S. President Kennedy. Furthermore, Kim's camp stresses that "Kim is the figure most suited to and capable of achieving national unity." Thus, his "activities aimed at being the presidential candidate" can be sensed from many aspects, although they still remain invisible. Kim has "closer relations" with President Kim Yong-sam than with any others in the ruling sphere. However, this may be a "possibility" and a "limit" at the same time, because Kim may not seek his own purposes by going counter to President Kim's will.

Minister Kim's management style is to constantly meet individuals and small groups from dawn until late at night, thus avoiding large-scale political gatherings as much as possible. What attracts people's attention is that the 300,000-member Central Youth Federation, with which he has been involved, shows active movements. This also inspires Minister Kim, because he trusts President Kim's "theory on a generational shift" and Minister Kim's staff believes that the parliamentary elections proved "the justness of a generational shift." However, many people observe that the minister's relatively weak base of support in North and South Kyongsang Provinces, which are ruling party strongholds, may serve as a disadvantage.

TONG-A ILBO on 8 August carries on page 4 a 2,000-word article by reporter Choe Yong-muk that profiles Kim Sang-hyon, chairman of the Guidance Committee of the National Congress for New Politics (NCNP). The article notes that Chairman Kim Sang-hyon seems to have decided to participate in the competition for the NCNP presidential nomination despite party president Kim Tae-chung's abhorrence to it. The article notes the widening rift between Kim Sang-hyon and Kim Tae-chung over the former's challenge to the presidential candidacy and observes, "Chairman Kim Sang-hyon's moves, large or small, are likely to become a factor that could affect the political scene surrounding the presidential election."

TONG-A ILBO on 9 August carries on page 4 a 2,000-word article by reporter Yim Chae-chong that profiles Yi Hoe-chang, the standing adviser to the New Korea Party. The article notes Yi Hoe-chang's aides are trying to convey to the people the fact that Yi is a warm-hearted person, despite the widely accepted image of him as a man who is uncompromising when it comes to injustice. The article notes the quiet pace of Adviser Yi Hoe-chang's preparations for the presidential candidacy. He avoids any loudness in his meetings by meeting few people other than those who call at his house, and reduces his attendance at various events. The article notes that many noted figures from political, academic, and law circles are gathering around to support him

as a presidential candidate. The article concludes, "The problem is that he is a political newcomer, with a fragile organizational base within the ruling party. Moreover, with the limitations of his reserved character, he will hardly be able to get out from under the influence of President Kim Yong-sam's decisions."

TONG-A ILBO on 10 August carries on page 4 a 2,000-word article by reporter Yi Won-chae that profiles Pak Chan-chong, adviser to the NKP. The article notes Pak's outspokenness and his camp's vigorous moves to prepare his candidacy, despite President Kim's instruction forbidding outright discussions of or campaigning for the candidacy. The article notes that Pak graduated from Kyongnam Middle School, which President Kim Yong-sam also attended, and began his political career in Pusan, although the greater part of his political career has been based in Seoul. Since the last general elections, Pak has intensively toured the Taegu and North Kyongsang Province (TK) area, and claims to be the only prospective presidential candidate that can win the election by combining the ruling party-sympathetic votes from the Seoul-Kyonggi area and the North and South Kyongsang area. The article notes, however, that many in the NKP still coolly appraise him as "a self-assertive man, a thoroughly selfish man, and a man unsuited to an organizational life."

TONG-A ILBO on 12 August carries on page 4 a 2,000-word article by reporter Chong Yon-uk that profiles Choe Hyong-u, adviser to the NKP. The article notes Choe Hyong-u's aggressive challenge for the presidential candidacy, which has been definitely conspicuous since June, when he attended a family reunion in Andong, North Kyongsang Province. The article notes his energetic tour at home and abroad, meetings with influential figures, and involvement in the inaugurations of various associations and institutes. The article notes he is reconstructing the "Democratic Mountain Climbing Association" around the country as an organization supporting his candidacy. The article notes Choe is bold in his moves because he believes himself to be President Kim Yong-sam's trusted comrade, who fought for democratization shoulder to shoulder with the president. While he is bold in his challenge for the candidacy, he is careful not to exceed the limit, not to displease President Kim Yong-sam, because he knows that the President's endorsement is essential to his candidacy. The article then notes his efforts to erase his image of being a fighter who lacks an appropriate knowledge of politics. The article concludes, "Because of his various limitations, advisor Choe's moves for the presidential candidacy may end in a contention for the presidential candidacy of the NKP, rather than for the presidential candidacy of the nation. This may also well be the case

with Kim Sang-hyon, chairman of the NCNP Guidance Committee, as noted by an increasing number of observers."

TONG-A ILBO on 13 August carries on page 4 a 1,300-word article by reporter Song Yon-su that profiles Democratic Party (DP) President Yi Ki-taek, one of those who is expected to run in the next presidential election.

The article summarizes speeches Yi delivered in meetings with Korean residents living in the United States and Canada during a recent visit. They quote him as saying, "The politics of the three Kims should be liquidated in next year's presidential election. To this end, the opposition parties should be united in excluding Kim Tae-chung and Kim Chong-pil, and an intermediate generation member like myself should play a role."

However, the article stresses that the current situation surrounding Yi is "the worst" since he stepped into the political arena, and says he appears to have lost his popularity as a "political 'showman.'" It notes that "his activities do not make the news, no matter how loudly he speaks about political issues, or how busy he is visiting every corner hit by floods." The article also points to Yi's failure to win the support of other leading DP members, including party vice president Yi Pu-yong, citing Yi Pu-yong's remark that "a figure from the outside should be invited to be the party's presidential candidate."

The article reports, "Because his image is represented by weakness and indecisiveness, as well as a limited ability to raise funds, Yi Ki-taek's challenge for the presidency seems unrealistic." The article notes some within the party interpret the activities by Yi and his followers in preparing for the election as "a means of maintaining their power within the party." Some believe "Yi's candidacy would be merely a 'preparatory step' for the post-three Kims era."

TONG-A ILBO on 13 August carries on page 4 a 1,300-word article by reporter Yun Chong-kuk that profiles Prime Minister Yi Su-song. The article cites an aide to the prime minister as saying, "Prime Minister Yi Su-song is a talented politician who attracts the masses. In this regard, he is superior to former prime ministers Yi Hoe-chang and Yi Hong-ku." The aide has assisted all of them.

Quoting remarks by those close to the prime minister, the article reports that Yi is sympathetic and helps poor people a lot, is very reluctant to be shown to the public as one of those running for the presidency, and that he has "no desire for the next presidential candidacy although he may have an interest in the following one."

The article also quotes Yi as saying "I cannot run for the presidency, because I do not take care of my health," "because I stayed at a teaching post too long," and "because I live freely." "Strictly speaking, I am not interested in the presidency."

While pointing to his "weakness" as a figure outside the parliament, the article notes "many observers' view that he would not miss a chance, if any." The article reports "Yi is capable of quickly grasping the key point of a report as soon as he receives it." The article explains that Yi was born in Hamhung and grew up in Kwangju, Pyongyang, Seoul, Ulsan, and Pusan as his family followed his father, who was transferred from one place to another as a judge during Japanese colonial rule. According to the article, "he is considered to be the most suited to the image of 'national unity' because of his geographical background."

On 15 August, TONG-A ILBO carries on page 4 a 1,000-word article by Pak Che-kyun that profiles Kyonggi Province Governor Yi In-che. Labelling Yi "a Cinderella of political circles," the article notes he has risen as a presidential hopeful overnight with Presidential Kim Yong-sam's strong backing. The paper quotes a NIHON KEIZAI SHIMBUN report last October that described Yi as the one most likely to win the NKP's nomination based on its interview with President Kim Yong-sam. According to TONG-A ILBO, the report has created a stir in the ruling camp, for President Kim's blessing will sway the outcome of the race for the party's candidacy. However, the article plays down the possibility of his candidacy, noting that "he has no qualifications, other than his youth, that put him above other presidential hopefuls in light of his low popularity ratings, lack of political experience, and weak footing in the NKP." The paper opines that his selection would bring about "resistance, a bolting of other presidential hopefuls, and the breakup of the party." The article cites a recent survey of lawmakers in the August edition of the monthly magazine SINTONG-A that reports Yi has poor ratings regarding the exercise of influence, chances for selection, and support from President's Kim.

However, the article points out observers' evaluation of Yi as a "little YS [Kim Yong-sam]" because of his aggressive and sturdy character, adding that President Kim's firm confidence in and high appraisal of Yi are unquestionable. In this regard, the article reports speculation is mounting that he will probably run for the presidency in a future election, if not next year.

On 16 August the daily carries on page 4 a 1,000-word article by Yim Chae-chong that profiles Yi Han-tong, adviser to the NKP. Noting that one of characteristics is his easy harmonizing with opposition lawmakers, the

article reports he is widely admired by opposition lawmakers because of his "encyclopedic knowledge" based on a long political career and abundant reading. Referring to his planned overseas trips and book publishing, the article reports Yi is concentrating on accumulating the career records to become the NKP standard-bearer, rather than trying to win the favor of President Kim Yong-sam. Based on this, the article speculates that "his bid for the presidential nomination is certain." However, the article surmises that regardless of all of his qualifications, he is no better positioned than other potential candidates due to the lack of a distinguishing feature.

The daily on 17 August carries on page 4 a 1,000-word article by Yim Chae-chong that profiles Rep. Kim Yun-hwan, a standing adviser for the NKP. Enumerating his recent inactivity, the article notes he seems to be caught on the horns of a dilemma over his presidential bid. He has refrained from expressing his ambition for the presidency and is still mulling over his role in next year's presidential election, according to the paper. Noting Kim Yun-hwan's call for a restricted vote to narrow the differences over the presidential nomination among rival potential candidates before entering into a general vote, the daily predicts Kim will again play the role of king maker, as he did in the election of President Kim and former President No Tae-u. However, the article does not rule out the possibility that he himself may become a contender, because he is still a leader of the NKP's conservative Minjong faction and a front-runner of the TK forces.

TONG-A ILBO on 18 August carries on page 4 a 2,000-word article by reporter Song In-su that profiles Kim Chong-pil, president of the United Liberal Democrats (ULD). Noting the ULD secretariat is busy with working out the detailed plans of a strategy to "change the image of JP [Kim Chong-pil] befitting that of a leader for the year 2000," the article notes that despite this, Kim Chong-pil himself is displaying "a calm attitude" toward his presidential candidacy. The article refers to remarks recently made by ULD Secretary General Kim Yong-hwan, Kim Chong-pil's closest associate: "The party should concentrate its efforts on the presidential election. We should become the center in shifting power next year." Nevertheless, the ULD does not totally reject the feasibility of a unified presidential candidacy representing the opposition. The article points out that other ULD members reject a unified candidacy because unifying the opposition would result in the candidacy of Kim Tae-chung in view of the number of votes supporting him. Thus, the ULD will seek a Kim Chong-pil presidential candidacy while studying the feasibility of a unified candidacy among opposition quarters and of revising the Constitution in favor of a cabinet system.

In a word, Kim Chong-pil estimates that the presidential election will be held "amid great confusion" next year, and that "his independent candidacy for the presidency may possibly result in failure."

Thus, the ULD is merely "preparing for the presidential election" without attaching "decisive importance" to any specific choice. Referring to Kim Chong-pil's motto of "It puts one at peace to refrain from talking back," the article notes that Kim Chong-pil might have begun to seek "an excellent device" in his bid to take off "the bridle" of being "the Number 2 man throughout his life."

On 19 August, the daily publishes on page 4 a 1,200-word article by reporter Choe Yong-muk which is the 13th and final installment of the series. The article profiles Kim Tae-chung, president of the NCNP. The article points out that as soon as he returned from Guam, where he vacationed, Kim Tae-chung raised "the theory of three major qualifications" that the next president should possess. Moreover, he stressed that since he is a politician, he cannot "ignore what the people want" by seeking only personal glory. Thus, he more clearly revealed his intent to challenge the presidential powers once again. This being the case, there is no doubt, at least for the moment, that Kim Tae-chung will run for the presidency. Although he was in low spirits due to the results of the 11 April parliamentary elections, he again raised a strong voice reflecting his desire for the presidency by optimistically viewing the future.

Meanwhile, the DJ [Kim Tae-chung] camp is busy mapping out a "strategy for certain victory." This is being carried out amid tight "security" and under a thorough clandestine organizational system which Kim Tae-chung himself closely manages. The "planning team" for the presidential election is already operating in an office in "the Asian-Pacific Peace Foundation." The factor the DJ camp considers favorable is a "split in the ruling camp." Kim Tae-chung himself has often said: "Our situation is not good. However, a ruling circle in which nine candidates run is even worse." Kim Tae-chung believes there is a great possibility President Kim Yong-sam will nominate NKP Chairman Yi Hong-ku as the NKP's presidential candidate. In this case, votes within the ruling camp will be split, thus working favorably for Kim Tae-chung. The second choice Kim Tae-chung has in mind is to "cooperate" with the ULD in the presidential election, and even a unified candidacy representing the opposition would be possible if "trustworthy relations" with Kim Chong-pil are maintained.

Despite this, the core factor for the certain victory of Kim Tae-chung is to overcome the regionalism and regional discord that has existed for more than

37 years. Noting that Kim Tae-chung's future path is not "smooth," the article points out "a sense of defeatism overflowing in his party" and the separation of Kim Sang-hyon, chairman of the NCNP's Guidance Committee, serve as great burdens. Thus, despite Kim Tae-chung's certain positive moves, it is hard for anyone, including Kim Tae-chung himself, to guess how the "conclusion" will turn out.

ROK: Proposal Aired To Allow President To Seek Two Terms

SK1908055996 Seoul YONHAP in English
0512 GMT 19 Aug 96
— Semi-official news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 19 (YONHAP) — National Assembly Speaker Kim Su-han has argued for a constitutional amendment which shortens the presidential term by one year but allows a president to seek another term.

The legislative leader said the amendment would help a president formulate and implement long-term policy programs.

"Under the current single five-year term formula, the president can accomplish little, being able to establish only short-term policy programs," Speaker Kim said in an interview carried in the September issue of the monthly CHOSON which will hit the streets Tuesday.

The people have opted for a single-term formula out of their bitter experience with former President Pak Chong-hui's attempt for lifelong rule, Kim maintained, adding, "But this is the outcome of a unicellular and bisectonal way of thinking."

A host of shortcomings have already emerged from a single presidential tenure system and calls have been heard for having a president seek reelection for another term, he said.

As an example of the disadvantages, Kim cited the ongoing public trial of former Presidents Chon Tu-hwan and No Tae-u on mutiny, treason and corruption charges, reasoning, "They had stashed away enormous illicit fortunes while in office thinking nothing would matter once they have completed their presidency."

Asked when it would be appropriate to amend the constitution to that effect, Kim said, "Now is not an opportune time to discuss the matter. But it is a matter deserving study from the perspective of good sense."

Asked if his call is not related to the forthcoming presidential election, the speaker said, "I've held this view for a long time. It would be a misunderstanding to

link it with the current political situation involving the next presidential election."

"I've merely pointed out some problems arising from the present single presidential term system out of a notion that the president should be able to administer the state in a stable manner maintaining consistency and continuity in policy and formulating medium- and long-term policy programs," Kim added.

ROK: Article Criticizes President Kim for 'Whimsical Policies'

SK2008022296 Seoul THL KOREA TIMES in English
20 Aug 96 p 8 — Daily English-language newspaper published by HANGUK ILBO

["News in Review" column by economic editor Pak Chang-sok: "Kim's Endless 'Turnabout Game'"]

[FBIS Transcribed Text] There were two pictures carried in newspapers last week which cast a pall over the nation. One showed a combat policeman kneeling down before a group of club-wielding militant students. The other showed a gaunt North Korean soldier who defected to the South. His appearance alone tells of the extreme hardships the people north of the DMZ are suffering.

The Aug. 15 National Liberation Day celebrations for this year were ruined by the pro-North Korean demonstrations staged by thousands of student radicals under the guise of a so-called "unification festival." A fierce "war" broke out between riot police and the students armed with Molotov cocktails and steel pipes. The area around Yonsei University resembled a battlefield. Streets were littered with broken glass and rocks. Teargas filled the air. Traffic was clogged for hours. Shops had to close.

Belatedly, the law-enforcement authorities have declared the students' demonstrations as acts benefiting the enemy. Police stormed the Yonsei University campus in northeastern Seoul, as students retreated into school buildings. Now the situation has turned into a stalemate as around 1,000 students are holed up in a building that is sealed off by riot police.

The rallies are neither a unification campaign nor a student movement. They are not even a demonstration. They are an armed revolt aimed at toppling the free democratic government. Nowadays these radical students are getting more aggressive in pushing their demands while the police are defensive and passive. Hundreds of riot policemen were felled in the student attacks and are hospitalized.

Critics boldly use the words "anarchy" and "incompetence" in describing the turmoils and the police's lethargic response against the students' crazed attacks.

The primary cause for the police's difficulties in bringing the situation under control stems from the lack of consistency in the Kim Yong-sam administration's policies toward North Korea and related student activism. The Kim administration has been "too magnanimous" to students' pro-North Korean activities, discouraging intelligence agencies from maintaining surveillance of student organizations that follow Pyongyang's line. These organizations have grown strong in the absence of clear guidelines from the government.

Riot policemen and students are both victims of the Kim administration's "turnabout games," in which it is tough sometimes and dovish other times, depending upon which stance best serves the political interests of the governing camp.

The last three and a half years of the Kim administration, since its birth in February 1993, have been typified by such never-ending turnarounds.

Special amnesty granted for those involved in bribery scandals on the occasion of National Liberation Day is a good example of President Kim's aboutface plays. Under its reform and house cleaning campaigns, the Kim administration brought to trial scores of politicians and bureaucrats who had worked under predecessor governments. Now, it pardoned or restored the civil rights of many of them under the pretext of promoting national reconciliation.

The leniency for those who were accused of having amassed money by cashing in on their political or bureaucratic power is Kim's self-denial of the reform drive he has boasted about. It leads politicians and bureaucrats to believe that they can dare amass fortunes by whatsoever illicit means in consideration of light criminal punishment. This just fomented disharmony and distrust among the people.

Another example of Kim's turnabout is about his pursuit of a "small government," one of the primary promises on the administrative management. President Kim in December 1994 took bold steps by merging the two powerful economic organs — the Economic Planning Board and the Finance Ministry — into one agency the Ministry of Finance and Economy. It was alarming to conservative officialdom and the aftershocks of this move can still be felt today.

The current Ministry of Construction and Transportation is also another product of Kim's administrative amalgamation. But he reversed his position on small government by creating in sequence such agencies as the Small

and Medium Business Administration, Korea Food and Drug Administration, and the Ministry of Maritime Affairs and Fisheries.

The elevation of the senior secretary for political and economic affairs from the vice-ministerial ranks to ministerial standing is a more thorough breach of Kim's small government promise.

President Kim's visit to several Central and South American countries scheduled for next month, is probably the last of his overseas trips, which have covered all the continents except Africa. It is surely an aboutface from his promise in the early days of his taking office that he wouldn't go overseas but instead have an increasing number of foreign leaders visit Korea. The President then rapped his predecessors for their having made frequent extravagant overseas trips. Now, the people hardly see a difference between President Kim and them.

The Chief Executive's overseas trips are necessary in the view that cooperation with the countries he is visiting should be promoted to the maximum extent through summits. But what matters now is his turnabout from his earlier pledges.

These aboutfaces culminate in the administration's economic policies, which have seen many ups and downs in their implementation, ultimately resulting in untold economic problems.

In the last three and a half years, President Kim has replaced the deputy premier-minister of finance and economy four times, for which the tenure of the nation's top economic policy-maker has averaged 10 months or so.

And it must be recalled that the economic slogans of the Kim administration have been "New Economy" and "Globalization."

Under the globalization drive, enterprises were encouraged to go abroad for investment. Government officials and citizens were advised to take more overseas trips. But the situation has changed of late. Both corporate investment abroad and individual overseas trips are now being curbed "suddenly" for either preventing industrial "hollowing-out" or putting a lid on the rising deficit in the international balance of payments.

In the face of the government's whimsical policies, both entrepreneurs and citizens are at a loss of what to do, go abroad or stay home.

Entrepreneurs. Taxpayers. Consumers. Everybody finds it increasingly difficult to establish long-term plans under the capricious mindset of the government leadership. Everybody is trying to escape from the concerns

over the unpredictable future. These endless "turnabout games" must end because they bring only needless worry and uncertainty.

Burma

Burma: Editorial Says Than Shwe's Visit to Malaysia 'Successful'

BK1908153596 Rangoon THE NEW LIGHT OF MYANMAR in English 17 Aug 96 p 6

[Editorial: Two Nations, One Ideal"]

[FBIS Transcribed Text] The successful visit of Chairman of the State Law and Order Restoration Council Senior General Than Shwe to Malaysia at the invitation of Their Majesties the Yang DiPertuan Agong [Paramount Ruler] and the Raja Permaisuri Agong [Queen] from 12 to 16 August 1996 points to the genuine good neighbourliness and mutual sincerity of the leaders and the peoples of the two nations.

Constructive engagement is the term applied by our friends in the region in dealing with us who have embarked on the market-oriented economic polity and on the road to democracy suited to our history and unique to our conditions.

The visit also must be taken as paying quiet rebuke to those who would like to interfere in our internal affairs and in the dealings among regional neighbours.

Senior General Than Shwe was able to further assure his hosts about our commitment to attaining the national goal of a peaceful, prosperous, modern and developed State in accordance with our political, economic and social objectives.

Thanks to Malaysia, substantial support was gained by Myanmar in international and regional fora, particularly with respect to Myanmar's efforts for integration into ASEAN.

Prime Minister Dr Mahathir Mohamed, who has always been an advocate of Myanmar's development and regional participations, informed the Senior General of Malaysia's experiences and endeavours for national development, achievements Myanmar can share.

Dr Mahathir also reaffirmed his view that each nation had the right to choose the system best suited to its conditions.

In this connection, he stated his desire to see ASEAN encompassing all 10 Southeast Asian nations at the Association's 30th Anniversary next years thus fulfilling the vision of its founding fathers.

Signing of agreement on bilateral cooperation will lead to the expansion and consolidation of economic and trade ties.

Both sides reviewed the international situation and agreed that the strengthening of regional cooperation

contributes to peace, stability and prosperity of the individual nations as well as the region as a whole.

Coming as it did soon after Myanmar's attainment of Observer status in the ASEAN, and given the cordial ties that have existed, this visit spells out the assessment of two nations, one ideal, given the similarity of views and sincerity so evident.

Burma: Aung San Suu Kyi Aide, NLD Members Jailed for 7 Years

BK2008103296 Hong Kong AFP in English 1018 GMT 20 Aug 96

[FBIS Transcribed Text] RANGOON, Aug 20 (AFP) — A senior aide to Burmese opposition leader Aung San Suu Kyi and two other members of her National League for Democracy (NLD) have been jailed for seven years, NLD sources said Tuesday.

Win Htein, a former military officer who joined the NLD in the late 1980s, was sentenced on August 16, about three months after being picked up by Burma's military authorities ahead of a key party congress, the sources said.

Two other NLD members detained in the government crackdown aimed at scuttling the pro-democracy meeting in May were also sentenced at the same time, but their identities were as yet unknown, they said.

Burma: Sentencing of Suu Kyi Aide, Party Members Detailed

BK2008105396 Hong Kong AFP in English 1034 GMT 20 Aug 96

[FBIS Transcribed Text] RANGOON, Aug 20 (AFP) — A senior aide to Burmese opposition leader Aung San Suu Kyi and two other members of her National League for Democracy (NLD) have been jailed for seven years, NLD sources said Tuesday.

Win Htein, a former military officer who joined the NLD in the late 1980s, was sentenced on August 16, about three months after being picked up by Burma's military authorities ahead of a key party congress, the sources said.

Two other NLD members detained in the government crackdown aimed at scuttling the pro-democracy meeting in May were also sentenced on August 16, but their identities were as yet unknown, they said.

Win Htein had acted as a liaison officer for Aung San Suu Kyi since the pro-democracy leader's release from six years of house arrest in July 1995.

Another liaison officer charged with foreign press relations, Aye Win, was also detained in May, but NLD

sources said it was unlikely that he was one of the other two to have received the heavy prison sentences.

Aung San Suu Kyi expressed concern in May that the authorities would use the detentions as an excuse to hand out heavy prison terms to her supporters, noting that many of those detained had been taken to Rangoon's notorious Insein prison.

More than 260 pro-democracy activists were rounded up in May in an effort to prevent a meeting at Aung San Suu Kyi's home to mark the sixth anniversary of the 1990 elections which were overwhelmingly won by the NLD.

Most of those picked up have been released, but many key NLD members, including Aye Win, remain in detention.

Burma: Article Calls Suu Kyi 'Slave,' 'National Traitor'

BK2008070196 Rangoon MYANMAR ALIN
in *Burmese* 17 Aug 96 p 4

[Article by Shwebo Bamahti Khin Aung: "Voice of the people of Shwebo"]

[FBIS Translated Excerpt] We the people of Shwebo hate and detest the white-face imperialist British very much. Just like the people of Shwebo, who hate and detest the White Indians or the British, the true Burmese from Dipeyin, Khin-u, Wetlet, Ye-u, Tantsi, Kanbalu, and Kyunhla hate and detest the British. They hate the British not only now, but since the dethronement of King Thibaw and his queen, Suu Phaya Latt.

We hate and detest the British because they used their arms to unjustly annex our country and rule for over 100 years. [passage elaborating anti-British exploits and heritage of Shwebo people omitted]

The people of Shwebo absolutely do not like the way the British and the Americans are infringing upon and insulting our country. We shall not tolerate the infringement of Myanmar's [Burma's] independence which was achieved after sacrificing a lot of lives, blood, and limbs of many Myanmar nationals. We shall not tolerate the infringement on our independence and sovereignty, for which General Aung San and national leaders sacrificed their lives, falling into the hands of others. If our independence and sovereignty are infringed upon, the people of Shwebo, where true Burmese live, shall safeguard our independence and sovereignty with our blood.

We have decided to safeguard with our blood. I asked the 50,000 people from Shwebo, Khin-u, Wetlet, Dipeyin, and Ye-u who attended the mass rally held on

29 May 1996 to support constructive national endeavors and to denounce the destructionists and whether they want to become slaves. They unanimously answered no. Well, just take note.

Do not come and touch us — the people of Shwebo are true Burmese. They will strike back, no matter who, if they are subjected to aggravation.

The BBC is giving signals from London in Britain to create nation-wide destruction similar to that of 8-8-88 events [disturbances beginning with 8 August 1988].

They are inspiring destruction of Myanmar nationals in order to ruin the country of Myanmar.

It should be understood that the white-face British are employing their own resources.

The 45 million of our people are not naive like in 1988. A counter-offensive has been launched by us. It has been done with courage. Just look at it. This woman [referring to Aung San Suu Kyi] is very rude by blocking progress of the country with the help of the British and the Americans. This woman favors the destruction of the country.

Daw Aung San Suu Kyi, who is trying to cause hardship for one's own country and 45 million people with the help of foreign powers, is a main traitor. She is a despicable woman who is blatantly committing treason.

She is neither a politician nor a good daughter of the country. She is a national traitor who smashed the patriotic spirit and heritage of General Aung San. American President Mr. Reagan and his associates conferred Nobel Prize on Soviet leader Gorbachev to destroy the Soviet Union. Gorbachev proceeded to cause the disintegration of the Soviet Union into many pieces.

Well, in our country the Western Bloc led in conferring the big Nobel Prize on Aung San Suu Kyi, which she did not deserve. Aung San Suu Kyi is following Gorbachev's footsteps. A good leader should not receive what others give, and must have pride, courage, and determination, and must not be soft. That Nobel Prize is a weapon to destroy our country.

Daw Aung San Suu Kyi, your destructive actions against the country is like hammering the head of Gen. Aung San who worked to achieve the country's independence.

In conclusion, I would like to tell you [Aung San Suu Kyi] that you are not a good leader. You have now become a slave without knowing, doing what the British and the Americans tell you to do.

When the country and the people are under threat, the valiant people of Shwebo will have to fight. National

traitors: Remember firmly that we do not allow any kind of people to lord over us.

Burma: Article Warns Destructionists Not To Spread Rumors

BK2008105896 Rangoon KYEMON in Burmese
19 Aug 96 p 6

[Article by Htein Win: "An Open Letter for Those Who Are Pretending To Be Blind"]

[FBIS Translated Excerpt] I am glad and also pleased to hear the daily denunciations of the destructionists and minions and those who hold negative views and interfere in other's internal affairs. They are being denounced due to the present political situation, and they deserve it. There is no other way to treat them, and I fully endorse this practice.

They cannot be asked to join hands with the government. They never say anything good about what the government is doing. They find mistakes and then exaggerate them. The mixture of truth and lies is very dangerous. They instruct the people about which path to follow, what to do, and what to say. When we say white, they say black. There is no way to coordinate with them because they act perversely like "Kyaw Shwe" [a former movie actor]. The best way is to get rid of these impediments and rubbish. Everybody must ostracize and evict them from the village. [passage omitted]

The mixture of truth and rumors spread by these people is very dangerous. It can confuse the innocent public. It is important not to believe these rumors completely. [passage omitted]

Many people suffered during the 1988 disturbance because of the spread of rumors. People should learn a lesson from this incident. Do not believe rumors completely. Think, think very carefully before you decide. The suffering in 1988 shows the effects of the rumors.

The SLORC [State Law and Order Restoration Council] government's words and deeds are compatible. [passage omitted]

I have a short message for those who hold negative views, who rely on foreign elements, and who pretend to be blind. I feel sorry for you who sit in front of a television but dare not listen to the news, music, or nice dramas. Try to have a wide and clear perception. Do not engage in insignificant roadside talk. Do not waste your time and energy. Everything will be shattered into pieces against a rock called the truth. Do not spread rumors. Try to be self-reliant. Read newspapers, watch television, and listen to the radio. Think, think, think very carefully.

Cambodia

Cambodia: Breakaway Leaders Address Combatants

BK1908174396 Phnom Penh National Radio of Cambodia Network in Cambodian
1300 GMT 19 Aug 96

["Appeal" issued by breakaway Khmer Rouge leaders Ieng Sary, I Chhien, and Sok Pheap to National Army of Democratic Kampuchea on 16 August; place not given—read by announcer]

[FBIS Translated Text] I. Of late, the Democratic Kampuchea radio has broadcast, in the basest manner, groundless, false, and deceitful reports that we — Ieng Sary, I Chhien, and Sok Pheap — have organized and deployed small units made up of 20 or 30 troops and people in Sisophon and Samlot and ordered that cadres, troops, or people who refuse to surrender be shot and killed. Along with this, the reports also alleged that we have deployed small units made up of 20 or 30 troops in Pailin and Malai in order to prevent the people from going in and out and cadres from contacting one another. Moreover, the radio has also charged that we have killed good cadres, who have refused (?to resist the forces) organized by Ta Mok and Son Sen, also known as [a.k.a.] Khieu.

These allegations are nothing but slanderous accusations and deceitful lies. In fact, on the night of 9 August 1996, the traitors Ta Mok and Son Sen — a.k.a. Khieu — and their accomplices ordered tanks to fire [words indistinct] refuse to shed the blood of their comrades-in-arms. When the 415th division's forces reached the second defensive perimeter, the commander and comrades-in-arms at the outskirt refused to shed blood. After the 415th division's forces entered and negotiated with them, the commander and comrades-in-arms at the third defensive perimeter also refused to shed blood. In view of the situation, Ta Mok and Son Sen, a.k.a. Khieu, were furious and ordered that their commanders at the defensive perimeters be shot and killed. Nevertheless, our comrades-in-arms did not obey their crazy order.

Aside from this, they have also alleged in their propaganda that the people are opposed to us, we who have been accused of being traitors. Actually, it is they who have betrayed the nation, the ranks, and the people. It was Ta Mok and Son Sen — alias Khieu — and their cronies who were beaten away in a demonstration staged by the army members and people from 2200 on the night of 14 August 1996 to 0400 the next morning.

On the morning of 15 August 1996, the people, furious, staged another demonstration and stormed the command

post of Son Sen — alias Khieu — and Ni Kan. Ni Kan is Son Sen's younger brother.

On the morning of 16 August 1996, Pol Pot issued a deceitful order calling for a halt to bloodshed, but said that small groups should be organized to destroy cadres, army members, and the people. According to a Cambodian saying, Pol Pot appears to be a deity with the heart of a Satan, who uses such a stinking order as a pretext for his self-defense. Why does he need to organize small groups of guerrillas to attack if he does not want to shed blood? [words indistinct] combatants who defied the order for them to attack their fellow comrades-in-arms.

Furthermore, they have also slanderously accused the army and people [words indistinct] confiscate radios, wireless radios, and telephones, preventing contacts with Pol Pot. This is evidence that they have howled in an irresponsible manner, without grasping in the least the situation and the need of the cadres, army members, and people. Actually, it is the army and the people themselves, who have decided to disconnect telephone lines and wireless radio contacts, because they are fed up with and opposed to the malevolent orders issued day and night for them to attack and destroy the movement of the cadres, the army members, and the population they have accused of being traitors.

Therefore, all of the aforementioned extremely cowardly, treacherous propaganda by Pol Pot can never be accepted by the army and people. The radio broadcast is aimed at fooling compatriots into believing that only by waging a bloody war can victory be achieved. This was why Pol Pot ordered the traitors Ta Mok and Son Sen — a.k.a. Khieu — and their accomplices to mobilize from Samlot in order to organize guerrillas counterattacks for the purpose of furthering the killing and bloodshed. However, the mature and composed compatriot commanders and combatants have never obeyed Pol Pot's order.

II. The view and stance of Pol Pot, Ta Mok, and Son Sen — a.k.a. Khieu — are completely different from the view and stance of all of us, whom they have accused of being traitors and who:

1. Want to end war quickly in order to avoid further bloodshed among Cambodians, as opposed to the order of Pol Pot's command headquarters, which is calling for continued fighting.
2. Request that solidarity and reconciliation be achieved without using armed force to put pressure on any other parties, as opposed to the orders by Pol Pot, Ta Mok, and Son Sen, a.k.a. Khieu, who are calling for perpetuating

war through the use of weapons, stakes, B-52 mines, and so on.

3. Want to end war, thereby building the country according to a democratic system as desired by our entire nation.

III. We would like to appeal to the comrades-in-arms who are cadres and combatants of the National Army of Democratic Kampuchea (NADK) to reflect upon the aforementioned lies, so that you will see what is real and what is just and so that you can find ways to end the war in keeping with the sacred wish of the NADK and our entire people. You are asked to scrupulously think over, employing your conscience, the view and position of us three.

The fact that Pol Pot has lied and cheated can bring about incorrect analysis. Moreover, this guy Pol Pot has bragged that he is a god who is endowed with incomparable genius and who has never made a mistake. However, Ta Mok, when he came to solve the problems faced by Divisions 450 and 415 at Pol Pot's behest, disseminated Pol Pot's analysis claiming that to win, the bloody war must be continued — using stakes, B-52 mines, and so on — until the end of the world. The view and stance of continuing war until the end of the world have been rejected by the comrades-in-arms, cadres and combatants, and people, who dare to rise up and protest. This is unprecedented in the history of the resistance movement of the NADK [words indistinct].

The actions taken by the cadres and combatants of Divisions 450 and 415 are recorded in the history of our ranks and the NADK. Your protests have angered Ta Mok and Son Sen — alias Khieu — very much, and caused them to more vigorously order the destruction of the [word indistinct] protesting movement since 5 August 1996. However, the commands of Divisions 450 and 415 on the battlefield have a clear-cut view and position, and believe that only a peaceful solution can avoid bloodshed among comrades-in-arms. These resolute view and stance have managed to avoid bloodshed among the comrades-in-arms and brought a victory over Pol Pot, Ta Mok, and Son Sen, alias Khieu, at the latter's command post on the night of 14 August 1996.

The success achieved in solving the problems faced by [Divisions] 450, 415, and 250 without bloodshed on all the fronts has been enthusiastically welcomed by the people. This is also a key to solving other problems through peaceful means as well.

Based on the aforementioned success, we would like to appeal to the comrades-in-arms who are NADK cadres and members not to listen to orders issued by Pol

Pot's command headquarters broadcast over Democratic Kampuchea radio. You should continue to heighten your sense of awareness at all times, so as to avoid bloodshed among yourselves, you who have struggled and shared life and death together for years.

[Dated] 16 August 1996.

Cambodia: Khmer Rouge Defectors Plan To Take Part In Election

BK1708131096 Bangkok THE NATION in English
17 Aug 96 pp A1, A3

[Report by Marisa Chimprapha]

[FBIS Transcribed Excerpt] [passage omitted] Ieng Sary's faction had ceased communicating with the Pol Pot faction several months before his defection, according to Sok Pheap.

"Pol Pot is dissatisfied with Ieng Sary's ideas for democracy. He still sticks to communism and wants to see war and disaster all his life. The Khmer Rouge has suffered from his orders, which allow no argument, no criticism, no religion, no monks and no temples," Sok Pheap said.

He said that there was no limitation to the Pol Pot faction's brutality and unfair treatment of Cambodians, which included the confiscation of people's cars, rice mills, carts, farm tools and produce.

The Pol Pot faction had failed to bring peace to Cambodia because of its dictatorial methods and the lack of a proper assessment of past performance to effect proper solutions to Cambodia's problems.

"We could not tolerate such dictatorial treatment. We want to see a democratic system prevail. The Pol Pot faction wanted war and the use of force. That's why we could no longer remain with the Pol Pot faction," the statement went on.

Sok Pheap ruled out a violent confrontation with the hardline faction still loyal to Pol Pot, saying that his faction was relying on dialogue, although some clashes were unavoidable.

He also dismissed a report that the ailing Pol Pot was dead. He said Pol Pot was in the Anlung Veng area, which is close to Surin province.

Sok Pheap said that his representatives were still negotiating with the Cambodian Government.

His faction and people were ready to join the government, but wanted to retain control of the areas they held: Phnum Malai, Pailin and others.

"If negotiations with the government can result in agreement on some points we will open up our area for the government side to see.

"We will set up a political party to contest the national elections in 1998, and afterwards we will fully and officially open our areas (to the government and others)," he told reporters in the mountainous district of Phnum Malai.

Cambodia: KR Renegade Chief Claims To Have 5,900 Men, 22 Tanks

BK2008045096 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 19-20 Aug 96 pp 1, 11

[Report by Ramon]

[FBIS Translated Excerpt] [Passage omitted] By 16 August, 5,900 Khmer Rouge (KR) soldiers broke away along with 41,400 civilians. This is what Sok Pheap, commander of breakaway Division 450 of the KR, told General Pol Saroeun, deputy chief of staff and head of the team for coordination with the KR defectors, through walkie-talkie from Poipet. Pheap added that the breakaway group also has 22 tanks.

The nearly 6,000 soldiers are from various divisions — either entire divisions with their commanding officers or parts of divisions. These breakaway divisions include: Divisions 450 and 415; Divisions 320, 171, 705, and 948 from Front 250. According to the 15 August declaration by Ieng Sary, I Chhean, and Sok Pheap, there are also Divisions 519 and 36 from Koh Kong and Samlot battlefields. [passage omitted]

Cambodia: Senior Officials Meet With Khmer Rouge Renegade Faction

BK2008060896 Hong Kong AFP in English
0548 GMT 20 Aug 96

[FBIS Transcribed Text] Sisophon, Cambodia, Aug 20 — The leaders of a Khmer Rouge renegade faction have met for the first time with senior Cambodian military officials, participants said Tuesday.

The meeting took place at an undisclosed location between the rebel base of Pailin and the Thai border in northwestern Cambodia Monday and was attended by Cambodian army deputy chiefs of staff Nhoek Bunchhai and Pol Saroeun.

Representing the breakaway Khmer Rouge faction were Ieng Savut, son of renegade leader Ieng Sary, Sok Pheap, commander of rebel division 450 and I Kim-chhien, commander of division 415.

Four points were discussed at the meeting, Nhoek Bunchhai told reporters in this northwestern Cambodian

town on his return, adding that only one issue remained unresolved.

"The talks were very friendly, very cordial," he said.

"We succeeded in getting rid of the word 'enemy' — that word does not exist anymore."

Nhoek Bunchhai said the factions had asked the government to "demonstrate a clear policy towards Ieng Sary," the former right-hand man of shadowy Khmer Rouge leader Pol Pot who is heading the breakaway rebels.

Co-premiers Prince Norodom Ranariddh and Hun Sen reportedly disagree on whether Ieng Sary, who was condemned to death in absentia in 1979 for crimes against humanity, should be allowed to take a role in politics.

The other three points include a ceasefire and securing better access to Thailand from Pailin and Phnom Malai, another rebel base further north, and the establishment of a working group to continue negotiations.

The meeting was the first time senior government officials have met with commanders of the breakaway Khmer Rouge faction, following a series of lower level negotiations in the past week.

The proposed working group would bring together chief of staff Keo Kim Yan and Nhoek Bunchhai from the government side, while the renegades would choose their representatives in the near future.

The working group is expected to first meet in Cambodia's second largest city, Battambang, or in Pailin in the coming days.

Nhoek Bunchhai was speaking in the presence of his uncle, Ta Su, the commander of Khmer Rouge division 519, who has now decided to fully join the breakaway faction.

Both Ta Su and his nephew said they expected members of the Khmer Rouge hardline faction to defect in the near future. "Contacts have already been made with junior officers," Nhoek Bunchhai said.

Indonesia

Indonesia: Rights Board Against Subversion Charges Over Riots

BK1908124796 Jakarta THE JAKARTA POST
in English 15 Aug 96 p 1

[Unattributed report]

[FBIS Transcribed Excerpt] Jakarta (JP) — The National Commission on Human Rights yesterday joined the chorus opposed to the government's plan to slap

subversion charges on alleged instigators of the July 27 unrest.

"We are consistent in our stand that the subversion law should not be used to prosecute criminals," commission deputy chairman Marzuki Darusman said.

Some government officials have openly threatened to challenge Democratic People's Party (PRD) activists with subversion, the most serious offense in Indonesia. It carries a maximum penalty of death.

Prosecutors from the Attorney General's Office have formally charged labor activist Mukhtar Pakpahan with subversion but have yet to explain his role in the July 27 riots.

"Our objection is that articles in the law are so elastic that any crime can be categorized as 'subversive' if the authorities wish to do so," Marzuki said.

The law passed in 1963 allows the detention of a suspect for up to one year without trial. The commission and numerous pro-democracy campaigners have demanded that the law be scrapped but the government does not appear to be interested in reviewing it.

Marzuki said there are articles in the Criminal Code which are appropriate to prosecute the PRD leaders and called on the authorities not to rashly accuse them of planning a coup.

He said that even the East Timorese armed rebel leader Jose Alexandre "Xanana" Gusmao, who fought for an independent East Timor, faced criminal and not subversion charges.

The July 27 riots were triggered by the storming of the Indonesian Democratic Party (PDI) headquarters by supporters of the government-backed rebel party leader Suryadi. It had been occupied by supporters of the democratically-elected Megawati Sukarnoputri.

The government and the military have likened the PRD to the outlawed Indonesian Communist Party (PKI), which was blamed for the abortive 1965 coup d'etat.

In the latest wave of the crackdown on political activists, the authorities in Bali reported they had arrested 28 people they believed were PRD members.

Criticism of the way the government is handling the July 27 riots and their aftermath also came from Muslim scholar Nurkholish Majid.

He said that he was not sure whether Indonesian youths still believed in communism as the PKI has been banned for three decades.

He criticized the government of too hastily accusing individuals or organizations of adopting communist-like tactics to achieve their goals. [passage omitted]

Indonesia: Editorial Questions Hunt for 'Red Suspects'

BK1908124996 Jakarta THE JAKARTA POST in English 15 Aug 96 p 4

[Editorial: "Hunt for Red Suspects"]

[FBIS Transcribed Text] The speed with which security officers captured the leader of the Democratic People's Party (PRD), Budiman Sujatmiko, and other PRD activists who have been blamed for inciting the July 27 riots is an indication that the authorities are serious about their crackdown on the previously unknown group. Cynics may say that the relative ease with which these young people — mostly in their twenties — were arrested was due to their inexperience and lack of funds compared to, say, former Golden Key boss Eddy Tansil, who, with billions of rupiah, has managed to evade the authorities' dragnet for over three months since his surprise escape from Cipinang prison in Jakarta last May.

In any case, it is too early to expect that the "PRD hysteria" which has swept the nation for the last fortnight will soon die just because Budiman Sujatmiko and his group have been captured. Some had hoped that the capture of the PRD activists would mean that the legal process would begin to determine whether the PRD was the culprit behind the July 27th riots and whether they had planned to topple the government. Instead, one can foresee a much bigger and wider crackdown as stated by several Armed Forces' (ABRI) leaders. This obviously increases and extends tension in our society.

For instance, in his statement last Monday Armed Forces Chief Gen. Feisal Tanjung said that ABRI would hunt down the "masterminds" behind Budiman Sujatmiko. Feisal said that Budiman and the other PRD activists in custody only represented a "front line" threat, therefore the masterminds behind them must be crushed because they could breed "new troublemakers like Budiman". He also cautioned people to beware of "anti-Pancasila" elements.

It is obvious that the hunt for "red" suspects, which could possibly lead to the pursuit of government critics, will continue for some time and everybody must be prepared for its impact. Many Indonesians, particularly the younger generation who did not experience the Indonesian Communist Party coup in 1965, or know of the trauma it has caused the Armed Forces, may be appalled by the apparent overzealousness of the

military in hunting the "red" suspects. In many cases the authorities appear to be ignoring the presumption of innocence — a slight indication that one has "leftist" leanings is enough to justify an arrest. Hence, we support the call for authorities to respect the rule of law that no one be branded guilty, or "diehard", before he or she is proven to be so in court.

We are also disturbed that, if this development goes unchecked, the whole campaign could lead to dangerous grounds where the nation splits into factions. The growing number of rallies of support for the military's actions against the PRD in the last two weeks, coupled with an oath of allegiance to the government, have hastened people to follow the trend lest they become suspects themselves. This practice is, of course, unhealthy for our nation-building efforts since one's loyalty should not be judged on the basis of mere statements of allegiance alone.

We are sure that nobody wants this campaign to get out of hand and grow into a witch-hunt that would not only lead this nation deeper into crisis, but damage our international reputation as well. The growing number of foreign countries who have expressed concern over our current situation should not be treated as mere nuisances or seen as interference in our domestic problems. We should see it as another indication that the world and its values have changed and as a nation which has committed itself to join the global family we cannot escape these universally accepted rules and values.

The PRD issue has meanwhile diverted our attention from the root of the problem: the takeover of the Indonesian Democratic Party (PDI) chairmanship from Megawati by Suryadi, which led to the holding of the free-speech forum at the PDI headquarters on Jl. [Road] Diponegoro, Jakarta. The forum upset the authorities to the extent that they condoned the forced takeover of the headquarters by Suryadi's thugs which led to the July 27 riots.

Our guess is that in the current climate, while the nation prepares to celebrate its 51st year of independence on Saturday, only a few of us will listen to our consciences and be sensible enough to ponder the question: Are we on the right track?

Indonesia: Joint Exercise With Malaysia Held in Surabaya

BK1908071696 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 19 Aug 96

[FBIS Translated Text] ABRI [Armed Forces of the Republic of Indonesia] Commander General Feisal Tanjung today launched a joint military exercise attended

by 5,000 Indonesian and Malaysian troops in Surabaya. Speaking in Surabaya, Lieutenant Colonel Nababan, an officer of the ABRI Information Service, said the joint exercise will involve combat operations and logistic supply for land, sea, and air operations. He added that three-volume books containing 1,000 pages have been written in an effort to boost the two armed forces' co-operation and professionalism.

Indonesia: General Says Joint Exercise Not Aimed at Defense Pact

BK2008053096 Jakarta ANTARA in English
19 Aug 96

[Received via Internet]

[FBIS Translated Text] Surabaya, East Java - Indonesian Armed Forces (ABRI) Commander General Feisal Tanjung on Monday here said that the 4th Malaysia-Indonesia joint military exercises "Latgabma Darsasa-IV AB/1996" is not aimed at arriving to a "defence pact".

"It is just a bilateral cooperation between the two nations' armed forces with respect to the security of Indonesia and Malaysia which share common borders and region," Tanjung said in his address at the start of the joint military exercises.

"The exercises are only aimed at testing and improving the professionalism of the two countries' armed forces," he said.

Accompanied by his Malaysian counterpart Gen. Tan Sri Datuk Sri Ismail bin Haji Omar, the ABRI chief said that through the joint military exercises, Indonesia and Malaysia are one step ahead in terms of friendship and cooperation, particularly between ABRI and Malaysia's Angkatan Tentara [Defense Force] Malaysia.

"Both armed forces hope that with the military exercises their combat capabilities would improve," Tanjung added.

The joint military exercises, which will last until August 30, involve at least 5,000 Indonesian and Malaysian military personnel.

Indonesia has deployed six warships, six military aircraft and a helicopter, while Malaysia has sent four warships, a number of military aircraft and its personnel.

Attending the ceremony which marked the start of the military exercises were ABRI's Chief of the General Staff Lieutenant General Tarub, Chief of the Army Strategic Command Lt. Gen. Wiranto, Commander of the Army's Special Forces Major General Prabowo Subianto, Air Force Chief of Staff Vice Marshal Su-

tria Tubagus, Navy's Eastern Fleet Commander Vice Admiral Bambang Suryanto, Brawijaya Military Commander Maj. Gen. Imam Utomo and East Java Police Chief Maj. Gen. Sumarsono.

Indonesia: Eight East Timorese Leave for Asylum in Portugal

BK1908132096 Jakarta ANTARA in English
19 Aug 96

[Received via Internet]

[FBIS Transcribed Text] Denpasar, Bali — A ranking military officer said here Sunday that the eight East Timorese youths who scaled the French Embassy walls during a heavy downpour on Friday are free to leave the country.

"If it is their wish to go (to Portugal), let them go," Maj Gen Rivai said, adding that President Suharto himself has said that East Timorese asylum-seekers are free to leave the country.

Rivai also dismissed claims made by the asylum-seekers that they were being hunted by security authorities.

"These youths merely want certain organizations to shoulder their travelling expenses," he said.

The eight East Timorese, all male, left the country for Lisbon via Amsterdam Sunday after spending two nights at the French Embassy in Jakarta.

Head of the International Committee of the Red Cross (ICRC) Henri Fournier confirmed in Jakarta that they left to seek asylum in Portugal.

Spokesman for the Foreign Ministry Ghaffar Fadyl said on Friday that none of them are being persecuted, which would qualify them for political asylum [sentence as received].

"They only wanted to go to Portugal. Our stance remains the same: they are free to leave the country," he said.

It was the sixth time East Timorese asylum-seekers had broken into the French Embassy since November.

A total of 84 East Timorese have entered foreign embassies in Jakarta since September last year and all have been granted asylum in Portugal, the former colonial ruler of East Timor.

**Indonesian Army Chief: Irian Jaya Kidnapping
'Form of Terrorism'***BK2008044796 Jakarta KOMPAS in English
20 Aug 96**[Unattributed report — received via Internet]**[FBIS Transcribed Text] Ujungpandang, KOMPAS Online — Chief of Staff of the Army General R. Hartono declared the kidnapping of 11 workers from the Jayanti group in Mimika Timur, Irian Jaya, was a form of terrorism.**"Is it not terrorism when the public is frightened or their lives are disrupted? This is what has been happening for months," the general said at the inauguration ceremony of Major General Agum Gumelar as the new military area commander in Ujungpandang on Monday (19 August).**In relation to the three demands of the hostage takers, Hartono said, "If we talk about politics, we are talking about human beings. We need to ascertain if these people are talking of politics or simply being used as a means to an end by certain parties."**Spokesman for the Irian Jaya Trikora Military Command Lieutenant Colonel Maulud Hidayat, together with the army spokesman Brigadier General Robik Mukav told journalists said the strategy adopted by the armed forces was working well. Tracking dogs have successfully moved the forces in the direction of the hostages.**In a letter sent to head of the Trikora Military Command, Tom Beanal, a prominent chief from the Amungme tribe, offered his services as a mediator with the kidnappers. Tom referred to the kidnapping as an act violating human rights.**Maulud Hidayat told journalists that he suspected the involvement of non-government organizations in the kidnapping.***Clarification***Meanwhile Walhi, an environmental non-government organization, has approached the National Human Rights Commission for assistance in relation to the military commander in chief's comments. "They have asked that General Feisal Tanjung's accusations that Walhi were behind the kidnapping, as reported in a national newspaper, be clarified," Asmara Nababan from the National Human Rights Commission said.**Walhi representatives, Emmy Hafid, Lili Hasanuddin and Khalid Muhammad meet with Clementino dos Reis Amaral and Asmara Nababan at the Commission's office. "Walhi has never adopted an aggressive stance in**order to promote issues, directly or indirectly," Nababan quoted from the Walhi statement.**Nababan doubted Walhi's involvement in the kidnapping. Military spokesman Brigadier General Amir Syarifuddin declined to comment on the accusation.**Commander of the Special Forces Major General Prabowo Subianto told journalists that his forces would be prepared to take action in helping to free the hostages if needed.**The Golkar [Functional Group] faction of parliament stated that because the kidnapping involvement members of the local population, the case should be solved by the local people themselves in conjunction with official forces.***Indonesia: East Timor Council Issues Statement***BK2008094596 (Internet) INDONESIA Listserv
in English 19 Aug 96**[Statement issued by the East Timor National Council of Maubere Resistance on the occasion of Indonesian National Day on 17 August—place not given]**[FBIS Transcribed Text] The Suharto regime's violence against the people of Indonesia has finally come to be noticed by international public opinion in recent weeks. The people of East Timor have experienced the same types of persecution, human rights violations, and state-sponsored terror and intimidation for twenty one years. The contemptible methods currently being used by the Indonesian authorities to oppress their people and confuse the outside world, follow the same models that have been applied for so long in East Timor. The people of East Timor express their deepest solidarity with the oppressed population of Indonesia, condemning the state-sponsored violence taking place, and calling on the international community to put effective pressure on the Suharto regime so as to free East Timor and liberate Indonesia.**On August 17 1945, the Indonesian nation proclaimed its Independence, after suffering centuries of foreign domination. On that day in Jakarta, the great leaders Sukarno and Hatta articulated the deepest aspiration of the Indonesian people—freedom. They did so full of joy and confidence in their nation's bright future. Their aspirations and visions were enshrined in the Indonesian Constitution which acknowledges freedom to be the right of all peoples without exception, and calls for colonialism to be banished from the earth.**Fifty one years later, in 1996, the reality of Indonesia is saddening. The military-backed Suharto dictatorship actively engages in a colonialism of the most brutal*

kind in the illegally occupied territory of East Timor, and robs the people of Indonesia of their freedom. Meanwhile, foreign governments, lured by Indonesia's rich business potentialities, still act in futile attempts to protect the image of the Suharto regime.

Yet, the mantle of false appearances with which Suharto has been able to deceive the outside world for so long has now been visibly torn, providing irrefutable evidence of the sad Indonesian reality. The crude, brutal and violent intervention in the affairs of the minority political party PDI (Indonesian Democratic Party), to oust independent and outspoken Chairperson Megawati Sukarnoputri, daughter of Indonesia's independence proclama-tor, has allowed the world to clearly see the techniques used by the regime to terrorise the Indonesian people into acquiescence and exclude them from political participation.

The bloody storming of PDI headquarters by the Indonesian military (ABRI) on 27 July, in which an as yet unconfirmed number of people, quite likely around 100, have been massacred, has also been an eye opener for many. Despite the clarity of the events that took place in full view of foreign observers in the heart of the country's capital, the regime persists in promoting an absurd fabricated version that, as is so often the case, blames the victims and makes no reference to the cul-prits.

Furthermore, in order to divert public attention from the serious responsibility for unconstitutional violent action facing the authorities and ABRI, a grotesque witch hunt has been launched, reviving the "communist" ghosts of the past. These are claimed to have reincarnated in the small PRD (Democratic People's Party) party of Indonesian youths, which the government has declared to be chiefly responsible for all the violence on and following 27 July. Dissidents are being accused of being affiliated to PRD, and are thus subject to extreme forms of violence, imprisonment and extensive human rights violations.

Dozens of PRD members, including its young Chairman Budiman Sujatniko, and other pro-democracy activists have been detained in recent days, subjected to intense torture, and deprived of access to legal assistance while their whereabouts are not disclosed. No investigation has been launched into the events of 27 July and fol-lowing days, and a large number of disappeared victims remain unaccounted for. Yielding to ABRI intimidat-ion, the government-sponsored National Human Rights Commission, after issuing some initial weak condemn-ing statements, has postponed the disclosure of the find-ings of its hasty preliminary investigations into deaths and disappearances to an unannounced future date.

Meanwhile, the authorities, assisted by extra constitu-tional pressure elements such as the brutal "Pemuda Pancasila" thugs, continue to victimise the most vo-cal opponents of the social injustice, nepotism, collu-sion, corruption, and lack of freedom that characterise the Indonesia of Suharto. Under the justification of pro-protecting the state and society from "PRD neo- Marxist subversives", a reign of terror and arbitrary violence against defenders of the Indonesian Constitution and the democratic principles it enshrines has been unleashed. Prominent Indonesians such as Dr Mokhtar Pakhpah-an, leader of the country's independent labour union SBSI (All Indonesian Trade Union), are kept in jail under procedurally incorrect and trumped up charges. Megawati Sukarnoputri, and world famous novelist Pra-mudya Ananta Tur are harassed by police questioning, and scores of lesser known individuals are beaten, kid-napped by security forces, have their possessions van-dalised, and subjected to torture and mistreatment. The corrupt judges of the puppet Indonesian judiciary refuse to hear clearly justified claims by victims of state spon-sored terror, cowardly seeking refuge in ludicrous ex-cuses like toothache attacks.

To divert public attention from the true source of the malaise facing Indonesia after three decades of Suharto dictatorship, that is the enormous injustices in terms of wealth distribution, lack of opportunities for the economically weak majority, institutional decay and lack of basic freedoms, the regime fosters its current "anti communists" witch hunt, adding an even more dangerous element to it: the attempt to incite religious hatred against Christians by extreme elements in the Islamic sector. Not only has there been a proliferation of "communist danger warnings", but Christians and "atheists" are portrayed as heavily involved in the "anti-patriotic subversion and terrorist" acts allegedly performed by PRD. To feed xenophobic nationalistic emotions further, thinly veiled references are made to support for PRD "terrorism" coming from "liberal", "atheistic", neighbouring (Western) foreign countries.

For the East Timorese, and those who are familiar with the East Timor drama for the last twenty one years, the current events in Indonesia are as clear as water to interpret. They reflect the same contemptible pattern of untruths, manipulations, brutality, injustice and violations of human rights which the Maubere people of East Timor have been made to endure since the Suharto regime began intervening in their affairs in 1974. The methods have not changed. The tactics, devices and techniques employed are the same. Even the discourse, after more than two decades, remains unchanged, showing how basic, out of date and exhausted the Suharto regime is. And all of this

after massive Western support and underwriting. What benefits have been brought by the hundreds of billions of dollars spent, except to make Suharto and cronies the richest men in the world?

East Timor has had its share of "communist" accusations to justify the brutal Indonesian armed intervention and the genocide of over one third of its people. It has experienced Indonesian instigated civilian conflicts. It has had its leaders victimised and subjected to mock trials which parody justice. It has had its civilians terrorised by state-sponsored thugs, and its social fabric torn by religious violence instigated by ABRI provocateurs, where the innocent victims have been made the culprits.

The East Timorese people have seen it all before, it has been the staple of life during these traumatic twenty one years! CNRM [National Council of Maubere Resistance] Special Representative Jose Ramos Horta said at a recent international gathering with Indonesian pro-democracy fighters "my Indonesian friends...our struggle and fate are intertwined, not only by virtue of geography, but by the nature of the regime that is responsible for the crimes perpetrated against our two peoples".

The National Council of Maubere Resistance of East Timor therefore strongly denounces and condemns the current events in Indonesia, which are the sole responsibility of the Suharto regime. It calls for independent investigations, the release of all those unjustly imprisoned and the punishment of all agents of state violence in accordance with due process of law.

CNRM expresses its deep solidarity with the people of Indonesia, who are fighting a struggle for freedom similar to that of the East Timorese people, against the same enemy, the oppressive and corrupt Suharto military-backed regime of Indonesia. Even if the nature of the two struggles is different, the East Timorese being one for self-determination, while the one of the Indonesian people is for democracy and the rule of law, there is much room for joining forces and close cooperation against a common enemy.

For over twenty years the people of East Timor have been pleading for help in their struggle against their brutal oppressors. The international community has chosen to ignore the East Timorese, bearing responsibility for the enormous human suffering that has resulted. May the world be prepared to listen this time to the similar cry of the oppressed people of Indonesia for freedom and justice and take action, preventing further suffering and the otherwise inevitable future turmoil.

Indonesia: Suharto Hosts Banquet for Turkey's Erbakan 19 Aug

BK2008081496 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 20 Aug 96

[FBIS Translated Text] President Suharto has again called on the international community to jointly build an economic order, which is fairer, more balanced, and ensures the welfare of all people. He noted that developing countries with their population being the majority of people in the world continue to be shackled by poverty and backwardness.

President Suharto made these remarks at a banquet in honor of visiting Turkish Prime Minister Necmettin Erbakan at Jakarta's State Palace last night. The president said developing countries' progress is constrained by lack of capital, technology, and skilled manpower. These unbalanced developments may lead to world upheaval. Being aware of these unbalanced developments, Indonesia continues to promote South-South cooperation and make efforts to conduct constructive dialogues with developed countries based on mutually beneficial partnership and common responsibility for the prosperity of all people.

Indonesia: Suharto, Turkey's Erbakan Agree To Boost Bilateral Ties

BK2008101596 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 20 Aug 96

[FBIS Translated Text] President Suharto held private talks with visiting Turkish Prime Minister Necmettin Erbakan at Jakarta's State Palace this morning. The talks, which lasted longer than originally scheduled, addressed several issues. A ministerial meeting was also held at the same time but at a different venue. Our correspondent Lasiman reports:

[Begin recording] [Lasiman] The two leaders have viewed the meeting as momentum to be used to boost future bilateral relations. Speaking to reporters, Minister-State Secretary Mardiono said the talks covered political, social, economic, and cultural issues. Investments and the avoidance of double taxation were also discussed.

[Mardiono] The two countries have, in fact, had a basis for boosting cooperation in the form of several bilateral agreements, but a legal framework is needed to enhance economic cooperation among the private sector. The framework consists of agreements, including the avoidance of double taxation, investment guarantees, and the expansion of cooperation in communications and television broadcasting. The two sides agreed to serve as a gateway for their own region, especially for

expanding trade and economic activities. As we know, Turkey can serve as a gateway for Central Asia, and Indonesia for Southeast Asia, East Asia, and the Asia-Pacific in general.

The two sides also agreed to explore cooperation in strategic industries, such as in shipping, aerospace, and aircraft manufacturing and marketing. The Turkish prime minister was so impressed with IPTN [Nusantara Aviation Industries] that his visit to IPTN yesterday lasted longer than scheduled. The two sides also want to expand cultural cooperation.

[Lasiman] Indonesia and Turkey have forged excellent trade relations thus far, even though the trade volume is not very large. The two countries' total trade stands at about \$200 million in Indonesia's favor, as Indonesia's exports stand at \$120 million. Even though the trade volume is still small, it has the potential to grow.

After private talks, the Turkish prime minister said farewell to President Suharto. He is scheduled to leave Indonesia this evening from Jakarta's Halim Perdanakusumah Airport. [end recording]

Indonesia: Turkey's Erbakan on Cooperation in Aviation Field

TA2008101796 Ankara TRT Television Network
in Turkish 1700 GMT 19 Aug 96

[Mehmet Alkas video report from Indonesia]

[FBIS Translated Excerpt] Turkish Prime Minister Necmettin Erbakan has stated that serious consideration will be given to Indonesia's proposal to set up a joint aircraft assembly industry with Turkey. Erbakan further stated that Turkey must take a leap forward in the defense industry and aviation fields if it seeks to assume the position of a leading country. Erbakan started to hold contacts in Indonesia. [passage omitted]

[Begin Erbakan recording] Indonesian officials seek to set up a second world center in Turkey, where the cost of labor is cheap. They say the following: We are ready to bring every technology in Indonesia to brother Turkey. Let us handle the Far East and the United States together with Turkey, and let Turkey, in turn, handle the countries in Europe, Africa, and Russia and the Central Asian republics. Thus, let us together put forward the most advanced technology in the world without any competition. [end recording] [passage omitted]

Erbakan expressed the belief that the rapprochement between Indonesia and Turkey will be transformed into cooperation, which will gradually increase.

Stressing that Turkey's imports have always exceeded its exports, Erbakan added this situation will be reversed

with the new cooperation established with the Muslim countries and added: Thus, the balance of payments will be put on the right track. [passage omitted]

Erbakan further stated that Turkey should take a great leap forward in its defense industry if it seeks to assume the position of a leading country and added: For this purpose, the aviation industry carries great importance.

Stressing that Indonesia proposed to set up a joint aircraft assembly industry with Turkey, Erbakan added: A serious assessment of this very attractive proposal will be conducted upon my return to Turkey. We will take the necessary measures in the aviation industry after determining our goals. This is a very significant development for Turkey, and it is of vital importance.

Erbakan further stated that a new era in aviation transportation should be launched to enable Turkey to assume its place among the developed countries. [passage omitted]

Indonesia: Democratic Party Faction in Parliament Restructured

BK2008105596 Jakarta KOMPAS in Indonesian
20 Aug 96

[Unattributed report—received via Internet]

[FBIS Translated Excerpt] The Indonesian Democratic Party (PDI) faction of the House of Representatives (DPR) has made changes to the party's structure by abolishing the advisory board and adding to the composition of the faction's leadership. Two new deputy chairmen and a vice treasurer were appointed, while three deputy chairmen of the faction were ousted. With these changes, Megawati Sukarnoputri, Sabam Sirait, Surjadi, and V.B. Da Costa are no longer members of the faction's advisory board.

The three ousted deputy chairmen are Sutarjo Suryoguritno, Sukowaluyo Mintoraharjo, and Royani Aminullah. They were replaced by Mulyono Sutarmo, Dimmy Haryanto, and Tiop Harun Sitorus. With the appointment of K.H. [religious title] Abdul Cholig Murod and Subagyo as new deputy chairmen, the faction now has 12 deputy chairmen instead of the original 10. Subagyo was previously the faction's executive board member. The new names on the faction's leadership list are: Vice Treasurer Y.B. Wiyanjono, and Marsingih, member of the faction's executive board.

Fatimah Akhmad, chairperson of the PDI faction, said the decision to introduce the changes was made on 15 August 1996 at the plenary meeting of the PDI Central Executive Council [DPP] elected at the new PDI congress in Medan. The decision was announced in SK DPP

No. 16/SK-DPP/VIII/1996 [Decree Central Executive Council Number 16/Decree-Central Executive Council/8/1996] dated 16 August. "There is no excuse for anyone to reject the decision because it was made by the DPP. All members of the faction have been informed about the decision," she told journalists in Jakarta on Monday (19 August).

Commenting on the discharge, Sutarjo said he had never been invited to hold discussions on the matter. "The new DPP should have discussed this matter with me first. I will discuss this today (Monday) with the PDI's DPP elected at the 1993 National Consultative Meeting. We are still thinking about whether or not to restructure the PDI faction in the DPR. The current changes are the affair of the DPP elected at the new congress," he said.

Speaking in a similar tone, Royani said: "With the changes in the structure of the PDI faction, the leadership differences between Suryadi and Megawati can be clearly seen. Megawati was the chairperson of the PDI's DPP for three years, and yet she never tampered with the structure of the PDI faction. If she had wanted to, however, she could have recalled Suryadi from his position as the deputy chairman of the DPR/MPR [People's Legislative Assembly]," she said. [passage omitted on the authority of the PDI's DPP elected at the new congress in Medan]

Indonesia: Dailies View Suharto's Independence Day Speech

BK1908092696 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 19 Aug 96

[From the press review]

[FBIS Translated Text] SUARA KARYA describes President Suharto's national day speech on 16 August as containing something that reminds all Indonesian people of the long and difficult process of political development that has narrowly saved the country from communism. It is therefore normal for the president to stress that the national consensus, namely, the determination to follow Pancasila ideology and 1945 Constitution, should not be questioned anymore so as to serve the ambition of an individual or a group.

PELITA also says that we we should respect the national consensus. If some people are not satisfied with the three existing political parties, they should improve them. Agreeing with what the head of state has said, PELITA says there is no need to establish a new political party and we must reject any organization that does not adopt Pancasila as its ideology. The Democratic People's Party is one of them.

MERDEKA underlines the president's remarks on the need to maintain political stability and security for the sake of continuity in development. If there is any dissatisfaction with the outcome of development, the president asks us to look at neighboring countries that are still trying to cope with their internal conflicts and poverty. MERDEKA notes that it is impossible to establish a Pancasila society if people are not imbued with Pancasila values. True Indonesian people are those who understand and practice Pancasila ideology.

POS KOTA also urges us to respect the national consensus. It is true that some people, especially the younger generation, do not understand the way of thinking, strategy, tactics, and actions of the PKI [Indonesian Communist Party]. These people can easily fall into believing issues that are against Pancasila values. The government once issued a White Book on the PKI rebellion, but it is not adequate. As we are determined to practice Pancasila ideology and the 1945 Constitution in a serious way, this means the PKI and its actions are unacceptable in Indonesia.

Indonesia: Bank Governor Says Deficit Smaller Than Expected

BK1908110596 Jakarta REPUBLIKA in Indonesian 19 Aug 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta — Bank of Indonesia [Central Bank] Governor Sudrajat Jiwandono has admitted that there has been a growing current account deficit that is somewhat higher than the targeted figure. However, he reiterates that the figure is much smaller than "what we expected".

Sudrajat said this to journalists following President Suharto's state of the nation address at the House of Representatives in Jakarta on Friday (16 August). He noted the causes of the current account deficit. According to him, a change in international business activities has become one of the factors. He cited a large flow of foreign funds into Indonesia as an example.

Those in economic and business circles always pay serious attention to the deficit. Data published by the Central Bank indicated a large deficit. Sudrajat said that in early January of fiscal year 1995-96, the amount reached U.S. \$7.9 billion. He said: "This is something extraordinary."

Many agree with Sudrajat, particularly observers who have had their own ideas about the current account deficit. However, the Central Bank governor, who has been commenting on the issue throughout this year, suggested: "We should not regard the figures as

something final." He added: We should look at their developments too.

Sudrajat said a monetary policy aimed at overcoming the problem is being applied. Economic liquidity is being decreased. "We have ordered banks to control the growth of credits and have raised the reserve requirement [preceding two words in English]" he said.

The inflow of a large amount of foreign funds is being controlled by the Bank of Indonesia's intervention rate of exchange, which has been increased by five percent. According to Sudrajat, this is done to avoid creating problems and indirectly influencing the foreign exchange reserve.

He said one of the factors that support public confidence in the rupiah is the availability of a sufficient minimum amount of foreign exchange. "The foreign exchange that the Bank of Indonesia currently possesses is enough to pay for nearly five months of imports," he said.

Tunky Ariwibowo, minister of trade and industry, said the deficit should be managed by increasing imports and investment.

Tunky said: "We will thus be able to integrate our upstream and downstream industries." When this happens, all goods will be processed locally and not from imported material like now.

Imported items — be they capital, intermediate, or consumer goods — have frequently been cited as the cause of the current account deficit. Imports of consumer goods jumped by more than 70 percent between January and September 1995. [passage omitted]

Philippines

Philippines: Manila, Beijing To 'Flesh Out' Accord on Spratlys

BK2008073196 Manila PHILIPPINE DAILY INQUIRER in English 14 Aug 96 p 11

[Report by Gerry Lirio]

[FBIS Transcribed Text] Starting next month, the Philippines and China will try to flesh out an earlier agreement seeking to lessen the chances of conflict, if not war, in the disputed Spratly Islands, a diplomatic source said yesterday.

The source, who refused to be identified, said a panel of fishery experts from the two countries will meet on Sept. 4, formally putting to test the code of conduct the two countries forged in August 1995. The venue of the meeting still has to be finalized.

The two panels will explore an arrangement in the management of marine resources at the disputed Spratly

Islands, one of several items specified under the code of conduct.

The meeting is expected to encounter a deadlock if China insists on exploring [as published] the marine resources. The Philippines stands for the conservation of marine resources.

Other areas of cooperation expected to be tackled soon include search and rescue operations, navigation, environmental protection, and disaster relief. No date was specified as to when these issues would be tackled.

The Chinese panel had proposed to hold joint oil exploration of the disputed islands, but local diplomatic officials refused to make any commitment, saying they will have to consult with local experts.

Beijing and Manila forged the code of conduct in 1995 to reduce the chances of military confrontation. The agreement was the result of a row in February 1995 when local military experts discovered that China had built structures over Mischief Reef, part of the Spratlys claimed by the Philippines.

China has denied that the structures have any military application, saying these were meant to protect their fishermen.

The code of conduct failed to move China to remove the structures, but the local diplomats believe the agreement would eventually lead to a reduction of military forces from both camps in the disputed territories or the chances of an accidental military confrontation.

Philippines Editorial: NPA-Indonesian Opposition Link 'Ridiculous'

BK2008081296 Quezon City MALAYA in English 14 Aug 96 p 4

[Editorial: "Coming Home To Roost"]

[FBIS Transcribed Text] The accusation by the Indonesian military (carried in a recent TIME magazine article) that the New People's Army [NPA] trained the cadres of the Indonesian opposition parties is ridiculous.

The NPA is in tatters. It cannot raise new cadres; how much more train foreign would-be revolutionaries?

But the irony probably is not lost to old communists as well as equally aging anti-communists. Let us leave aside the Philippine support of the colonels' revolt against Indonesian President Sukarno in the 1960s. This misadventure, involving the late Benigno Aquino by his own admission, was plotted by the Central Intelligence Agency and carried out by Indonesian army officers in its payroll.

We are referring to the more than half a century of close ties between the Filipino and Indonesian communists. There's the now legendary Tan Malacca, the Communist International [Comintern] agent, whose shadowy presence remained to be explained in the decade leading to the establishment of the Communist Party [CP] of the Philippines in 1930. The Comintern probably goofed when the Philippine section was taken away from Malacca's Far East Bureau and awarded to the CP USA. That's neither here nor now. But the Malacca connection is one of those fascinating historical tidbits that academic historians sadly have not adequately looked into.

The archives of the Comintern are reportedly accessible now. So where's the historian who would explain the presence of somebody excoriating "kolonyalismo" [colonialism] in Tagalog during that meeting of colonial peoples in Baku in the Caucasus shown in the movie "Reds"? The movie is a pseudo-documentary on the life and death of John Reed, author of *Ten Days that Shook the World*, in revolutionary Russia and the immediately following years. Filmic invention? Perhaps, but as we said the Comintern archives surely can offer light into this hitherto unilluminated chapter in our history.

Tan Malacca's Philippine connections are just for starters. There are more recent connections.

Isn't it rich that the Indonesian Red baiters are now blaming local communists for the inevitable middle class reaction to years of unrelieved repression?

Philippines: Official Reiterates Security Assurance for APEC

BK2008040396 Quezon City Radio Filipinas in English 0230 GMT 20 Aug 96

[FBIS Transcribed Text] A top organizing committee official has assured the safety of delegates to the APEC Summit this November. The assurance was made by Lisandro Abadia, the director-general of the executive committee of the APEC National Organizing Commission, or NOC, who told newsmen at the Davao Insular Century Hotel, that the government can handle the massive security task at hand. Abadia said the NOC is finalizing a prototype security plan to ensure the safety of the 18 leaders and some 3,000 foreign delegates who will participate in the APEC ministerial and economic leaders' meeting from 22 to 25 November. This prototype plan is the biggest, most comprehensive, and most elaborate security arrangement ever prepared by the Philippine Government.

Preparations for the release of the Manila Action Plan for the APEC Leaders' Summit this coming November is expected to push through. This was the forecast made

by delegates to the APEC Seniors Officials' Meeting III, held in Davao City. The Manila Action Plan '96 is a compilation of over 1,500 plans to be presented by leaders of 18 countries during the November Summit in Subic. Among the plans to be presented are measures to boost business cooperation among APEC member-countries.

Philippines: Agenda of APEC Senior Officials Meeting Discussed

BK2008080196 Quezon City MALAYA in English 14 Aug 96 p 2

[Report by Cheloy Garafil]

[FBIS Transcribed Text] The application for membership of Vietnam and nine other countries into the Asia-Pacific Economic Cooperation will be deliberated on during the Third Senior Officials Meeting [SOM III] in Davao City this coming Thursday.

APEC Chairman and Foreign Affairs Undersecretary Federico Macaranas made the announcement during a press briefing on the 11-day SOM III at the Insular Century Hotel in Davao.

Macaranas refused to identify the nine other countries but sources at the APEC said India is one of them.

APEC is due to hold the meeting of heads of state in Manila and Subic Bay, Olongapo City this coming November.

Macaranas, who will lead the SOM III, said the SOM III will be a venue to update the 18 APEC member-economies on the Individual Action Plans of all members.

The SOM III will also lay down foundation for the Manila Action Plan for 1996, including the reporting format, elements, procedures, and timetable on joint economic-technology activities adopted during the first two SOMs.

The SOM III will also emphasize the importance of open, rules-based and nondiscriminatory multilateral trading system, and advanced trade liberalization.

A proposed work plan, according to Macaranas, may also be discussed at the meeting to address the food, energy, environment, and population issues of the Osaka Action Agenda.

Philippines: Muslim Chief, Ramos Meet on Peace Process

BK2008015496 Manila BUSINESS WORLD
in English 20 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Malabang, Lanao del Sur — The government and the Moro National Liberation Front (MNLF) have inched closer toward the signing of a peace accord after a historic meeting between President Ramos and MNLF chairman Nur Misuari took place here yesterday and gave the peace process its much needed boost.

But the MNLF chief said transforming Mindanao into an economic powerhouse does not rest solely on him but on Mr. Ramos and his government.

"I realize my difficulties and limitations. You know very well that the SPCPD (Southern Philippines Council for Peace and Development) is (Mr. Ramos's) baby, not mine. So it is up to the president to nurture this baby in order to ensure that one day it will be of great service to our people and humanity," Mr. Misuari told the crowd here who attended the peace rally for the SPCPD.

"I am not going to promise you heaven and earth because I know my limitations," he added, as he described himself as a "neophyte" in the world of politics.

Yesterday's meeting has placed the peace accord at the tail-end of an arduous process which would formally end almost 30 years of conflict and which have claimed more than 120,000 lives.

Negotiating panels are expected to sign on August 28 in Jakarta, Indonesia a final peace pact. The signing in Malacanang is expected on September 2.

Mr. Ramos said he is fully aware of the apprehensions of some Mindanaoans on the SPCPD. But he assured them the government and the MNLF have no hidden agenda or secret motives.

"Every decision we made was taken to achieve a simple yet far-reaching goal: To formally end the MNLF's armed secession by concluding a comprehensive political settlement that redresses their valid grievances in a manner consistent with our constitution and existing laws.

Various Reactions [subhead]

Also yesterday, Mr. Ramos's meeting with Mr. Misuari evoked varying reactions from Mindanao solons.

South Cotabato Rep. Daisy Avance-Fuentes said her group's objections to the SPCPD were ignored, implying

that their comments and observations were not seriously considered. North Cotabato Rep. Gregorio Andolana, on the other hand called the meeting "a welcome development."

He agreed with Ms. Avance-Fuentes, however, that the SPCPD has "infirmities." He noted the MNLF seemed open to amendments, but the government was apparently decided on the provisions of the SPCPD.

Meanwhile, the Senate is expected to support the establishment of the SPCPD, with recommendations for changes in the peace agreement, including the appointment of a Christian as vice-chair of the council and clarification of its limited powers.

The Senate majority group expects that a Senate report, to be discussed in a closed-door meeting today, would give the SPCPD the vote of support being eyed by Malacanang. It will be the basis of the Senate's final recommendations on the peace process.

Philippines: MNLF Official: Peace Talk Disagreements Almost Resolved

BK2008113096 Quezon City GMA-7 Radio-Television
Arts Network in Tagalog 1000 GMT 20 Aug 96

[FBIS Translated Text] Reverend Absalom Cerves, Moro National Liberation Front spokesman, has revealed that some influential officials of the Organization of the Islamic Conference, or OIC, including its secretary general, will witness the signing of the peace agreement between the government and the Moro National Liberation Front, or MNLF. Libyan President Mu'ammar Al-qadhafi might be among those who will witness the signing ceremony. According to Cerves, the ironing out of the remaining disagreements between the two parties, which has to be done, is almost completed.

Thailand

Thailand: Trade Status on "Watchlist" Under Review by USTR

BK1908051496 Bangkok THE NATION in English
19 Aug 96 p B1

[Report by Atchara Phongwuthitham]

[FBIS Transcribed Text] The U.S. Trade Representative (USTR) will next month review Thailand's position on the "special 301" Watch List with the possibility that after two years it could be removed.

If Thailand was removed, it would help stimulate sales of Thai products in the United States. Remaining on the list, the country stands to face a loss of privileges under

Generalised System of Preferences (GSP), or higher import tariffs and quota limits, if the U.S. retaliates.

A source from the Intellectual Property Department said the progress on intellectual property (IP) right protection in Thailand is an important point for the USTR to consider.

However, Business Software Alliance (BSA) remarked at a meeting with Director General Banphot Hongthong that even though Thailand has already established Intellectual Property and International Courts to address IP right violations, its operation is still not well in place.

Moreover, the number of IP violation cases fell by 10-20 percent in 1995 compared to 1994. BSA has complained that Thailand ignored this issue after the U.S. moved the country from the Priority Watch List to the Watchlist, which is subject to less severe actions.

The source pointed out that there were less cases because less pirated products flowed into the market. Statistics only cover the Bangkok area, not the whole country. Nevertheless, some cases which are brought to court have been settled before the court makes a decision.

In addition, the U.S. music companies have urged a survey on their total sales of music tapes in Thailand to reflect the real situation. A source said the department will call leading Thai music camps for consultations on paying copyright fees to authorized collectors. At present, there are two authorized organisations — Music Copyright (Thailand) Co Ltd (set up by Thai private sector) and Phono Right (of the International Federation of Phonographic Industry Thailand). The department will choose only one to collect the fees.

"Thailand really intends to empower an organization to collect fees because since the law was implemented two years ago, not even a baht has been collected," the source said.

The source added that five special teams from the department still work to arrest IP violators. The number of cases has declined, however.

If the BSA is satisfied with the operations, it will support Thailand in the review of the Watch List status.

Meanwhile, the Commerce Ministry will propose that the Cabinet abolish the Pharmaceutical Patent Committee, which monitors IP rights protection on pharmaceutical prices and production, to follow World Trade Organisation guidelines.

The committee is no longer necessary to control medicine prices because the Central Price Fixing and Anti Monopoly authorities are already responsible.

However, the department is asking for the Public Health Ministry's comment on the advantages and disadvantages of the issue before passing it to the Cabinet.

Until now, the U.S. pharmaceutical business has pressured Thailand to give "pipeline" protection for U.S. patents which may lead to a monopoly of U.S. brands. Thailand has insisted it will not take up the request.

Thailand: Breakaway Khmer Rouge Faction Seeks Border Trade

BK2008034596 Bangkok *THE NATION* in English
20 Aug 96 p A8

[Unattributed report]

[FBIS Transcribed Text] A Khmer Rouge breakaway group will seek to promote cross-border trade with Thailand after certain major issues are agreed upon in negotiations with the Cambodian government, its leader Gen. Sok Pheap said recently.

In the meantime, the group will ask the Cambodian government to allow it to engage in cross-border trade with Thais through the Poipet district of Battambang province, which is close to Sa Kaeo's Aranyaprathet district.

The general was speaking while his group, which split from the main hardline guerrilla faction of Pol Pot, is negotiating with the Cambodian government on an agreement to join government forces.

"We wish to promote bilateral trade with the Thais, particularly along the border. However, we will prohibit certain items from being traded, including drugs, stolen motorcycles, and vehicles. Those who are found involved in such trade will be dealt with in a serious manner," Sok Pheap stressed.

It is widely known that areas of the Thai border situated close to Khmer Rouge-controlled zones have a low record of crime such as robbery, vehicle theft, and kidnapping, compared with those adjacent to areas controlled by Cambodian government troops.

A controversial issue to be tackled in negotiations between the Khmer Rouge rebel faction and the Cambodian government is how to deal with the faction's leader, Ieng Sary, who was sentenced to death for his role in the genocidal period between 1975 and 1979 when the Khmer Rouge, led by Pol Pot, controlled Cambodia.

While negotiating with the government side, the Khmer Rouge dissidents have tried to convince other Khmer Rouge factions still loyal to Pol Pot to join them in defecting. The Pol Pot faction has made its headquarters

in the Alung Veng area, which is close to the Surin province of Thailand.

"We want to do business with the Thais freely and openly, so that our people can enjoy prosperity and be successful in business like people in Thailand at present," Sok Pheap said. "We have not yet raised these ideas with Thailand and Cambodia, though."

Thailand: Burmese Student Group Vows To Continue Peaceful Struggle

*BK1908064996 Bangkok THAILAND TIMES
in English 19 Aug 96 p A2*

[Report by Atsawin Phinitwong]

[FBIS Transcribed Text] Tak — In spite of cease-fire agreements between Rangoon and most of ethnic rebel groups, an exiled Burmese student group in Thailand will keep on fighting for democracy, a Thai border military officer said yesterday.

The All Burma Students' Democratic Front (ABSDF) would yield to negotiate with the Burmese junta, the State Law and Order Restoration Council [SLORC], only when the latter becomes democratic, the officer said, quoting sources close to the group.

Meanwhile, a Burmese border officer said the SLORC has never paid any attention to the student dissidents. If the students want to give in to the government, they will be welcomed to return home without being punished.

The student group yesterday held a meeting at Tegaba camp on Thai-Burmese border to review its position toward the Burmese government. Fourteen out of 15 ethnic insurgent groups have struck peace deals with Rangoon over the past two years.

The group recently adopted to pursue their goal by means of peaceful political activities rather than more violent ways of arms struggle to fight the military dictatorship in their country.

Thailand: Master Plan for Economic Ties With Laos Sought

*BK1808131996 Bangkok BANGKOK POST
in English 18 Aug 96 p 2*

[Report from Khon Kaen by Nutsara Sawatsawang]

[FBIS Transcribed Text] Thailand should have a practical master plan for economic relations with Laos, Deputy Commerce Minister Amnuai Yotsuk said yesterday.

Mr. Amnuai proposed the master plan at a seminar titled "Preservation and Promotion of Economic Int ests

of Provinces Bordering Laos" organised by the Thai Embassy in Vientiane.

The seminar was aimed at encouraging the private sector to voice their concerns and speak about problems of doing business with Laos and was attended by the chambers of commerce from the northern and northeastern provinces of Amnat Charoen, Khon Kaen, Nan, Nong Khai, Mukdahan, Phayao, Uttaradit, Ubon Ratchathani and Udon Thani as well as concerned state agencies.

The deputy commerce minister said though existing problems stemmed from mistakes made at the local level, they should be addressed by policy-making bodies or business as well, otherwise the overall relationship between the two countries would suffer.

"We should not be NATO — No Action, Talk Only," he said.

"They (problems and resolutions) should lead to a practical master plan which could bring fruitful results," he added.

Seminar participants spoke of problems of policy, procedures as well as lack of coordination in both countries.

The problems included the use of alien workers in provinces bordering Laos, the upgrading of temporary and exempt border checkpoints to permanent ones, as well as the delay in reclaiming value-added tax (VAT) returns that stems from lack of coordination between the Revenue and Customs departments.

Businessmen from Nong Khai and Amnat Charoen called for the legalisation of workers from adjacent Laotian provinces to meet increasing labour demands. But the Cabinet recently allowed only two northeastern provinces — Nakhon Ratchasima and Khon Kaen — as among 39 provinces allowed to employ foreign workers from Laos, Cambodia and Burma.

The seminar also heard calls for the liberalisation of measures for goods in transit between two countries in order to save costs, and for access for Thais to visit friends or relatives in Lao prisons.

Nippon Sutthidet from Amnat Charoen Province proposed the setting up of a Thai-Lao sub-committee at the level of provincial governors to supervise and solve local problems.

Thai ambassador to Laos, Somphan Kokilanon, said he agreed with Mr. Amnuai's proposal to draw up a master plan with short-, medium-, and long-term measures to deal with Laos on economic matters.

But a core agency is a needed for the task and this should be the National Economics and Social Development Board, he said.

A meeting of Thai and Laotian provincial governors scheduled to be held at the end of the month will hear some of the concerns raised, the ambassador said.

A Thai-Lao Joint Commission meeting, set for September 8-9 under the co-chairmanship of Deputy Prime Minister and Foreign Minister Amnuai Wirawan and his Laotian counterpart Somsavat Lengsavat, will look at other issues and problems.

Thailand: New Agreement on Transit of Goods Pursued With Laos

BK2008031896 Bangkok BANGKOK POST in English 20 Aug 96 p 5

[Report from Khon Kaen by Nutsara Sawatsawang]

[FBIS Transcribed Text] Laos is urging Thailand to seal a new transport agreement allowing for overland passage through the two countries of goods they want to carry to and from third destinations, Ambassador to Vientiane Somphan Kokilanon said.

The push reflects Laos' attempt to deepen ties with ASEAN members other than Thailand.

Vientiane predicts rising trade with Malaysia, and Bangkok will benefit from overland transit rights through Laos to southern China and Vietnam.

The issue will be tabled at the next ministerial meeting of the Thai-Laotian Joint Commission scheduled for September 8-9 at Hat Yai [Thailand].

The two countries agreed to pursue the new agreement in a memorandum signed by Pradang Prichayangkun, director-general of Thailand's Land Transport Department and Sai Phakkasoum, chief of the Cabinet of Laos' Communication, Transport, Post and Construction Ministry on July 18 in Vientiane, the Khaosan Pathet Lao official news agency reported.

Laos has already handed its version of the draft agreement to Thai officials for consideration, a Thai official attending the meeting said.

Mr. Somphan said the new deal would be a step toward seeing goods from Laos transported to Malaysia and Singapore, and from Thailand to China and Vietnam, and vice versa.

It will replace the 1978 pact in which Thailand allows Laos overland transit of goods and access to its seaports in conformity with the 1921 Barcelona Treaty. Vietnam also grants similar facilities to Laos.

But the latest effort is complicated because it requires Thailand and Laos to reach similar agreements with other countries involved such as Malaysia, Vietnam, China and Singapore, officials said.

Thailand: Repatriation of 170 Vietnamese Refugees Reported

BK1708121396 Bangkok Radio Thailand Network in Thai 0530 GMT 17 Aug 96

[FBIS Translated Text] The repatriation of a group of 170 Vietnamese refugees at the detention center in Tambon Khlong Phai, Sikhiu District, Nakhon Ratchasima Province, took place today. The ceremony, which started around 0400 local time, was witnessed by officials of the Thai and Vietnamese Governments and the UNHCR. Thai officials present at the farewell ceremony included the deputy interior permanent secretary, Damri Watthanasingha; the provincial governor of Nakhon Ratchasima, Suphon Supphason; the deputy police chief, Police General Chumphon Atthasat, and the deputy chief of Zone 3 Provincial Police Police Major General Laemthong Yanubon. The departure of this second group of Vietnamese refugees was smooth from the beginning; no clashes were reported although there were some slight injuries when some of the refugees tried to slash themselves in a gesture of protest. Following is a statement given by the deputy interior permanent secretary to the Public Relations Department correspondent in Nakhon Ratchasima.

(Begin recording) I would like to report one of the most smooth operations we have ever had in repatriating Vietnamese refugees. The group that left today made known their willingness to leave. They started packing their belongings and were dressed in readiness for the voyage. Credit must be given to all the concerned authorities in charge of coordinating this repatriation. (End recording)

Pol. Maj. Gen. Laemthong Yanubon, deputy commissioner of Zone 3 Provincial Police, in his capacity as chief of the Vietnamese repatriation center, gives the following report:

(Begin recording) (Laemthong) The group made known their willingness to leave. Policemen guarding the detention center reported to me from 1000 p.m. last night that the refugees were making preparations for the departure. They were dressed ready and had their belongings packed. When we told them they could leave, they walked in line carrying their belongings. We provided them with transportation.

(Unidentified correspondent) How many of them were wounded?

(Laemthong) Well, they were all standing in a line when certain refugees asked for josticks to make a prayer. After lighting the josticks, they tried to slash themselves, but we stopped them from doing that.

(Unidentified correspondent) How many of them were wounded?

(Laemthong) About thirty. We had medics taking care of them and now all of them have gone. (End recording)

There were 15,000 Vietnamese refugees in Thailand. After screenings by the Thai Government, it was found that, of that number, 3,000 were genuine refugees; they have been admitted for asylum in third countries. The remaining 12,000, who do not have refugee status, must be unconditionally repatriated to Vietnam. Of the 12,000 refugees, 8,000 have already volunteered to return. At present there are still 3,000 Vietnamese refugees left for repatriation. It is the obligation of the Thai Government, with the cooperation of the Vietnamese Government and the UNHCR, to send back all these refugees to Vietnam before 30 September this year.

Thailand: UNDP 'Ready To Contribute' Yearly to Mekong Development

BK1708120596 Bangkok BANGKOK POST
in English 17 Aug 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Japan, South Korea, Australia and some European countries have "expressed interest" in helping finance ASEAN's plan to develop the Mekong basin provided a formal fund is set up for the purpose.

According to the Foreign Ministry's Economics Department Director-General Kopsak Chutikun, the United Nations Development Programme [UNDP] is ready to contribute one to two million US dollars a year if an ASEAN-Mekong Fund is established.

Thailand will host the first meeting of the working group on funding for the plan in October, Mr Kopsak said.

Thailand was appointed to chair the working group at the first ministerial meeting of the ASEAN-Mekong development plan in Kuala Lumpur in June.

The ministers — of the seven ASEAN states, as well as those of Burma, Cambodia, China and Laos — are due to meet again in Kuala Lumpur in November to prepare a report for the ASEAN informal summit in Jakarta in December, Mr. Kopsak added.

ASEAN, which groups Brunei, Indonesia, Malaysia, the Philippines Singapore, Thailand, and Vietnam, an-

nounced its decision to jointly develop the Mekong basin at their fifth summit in Bangkok in December.

ASEAN is the latest to consider developing the sub-region fed by the Mekong, after schemes spearheaded by the Asian Development Bank [ADB], Japan, and what has now become the Mekong River Commission.

According to a report by the Thailand Development and Research Institute considered by the Foreign Ministry yesterday, these earlier schemes have put forward a total of 1,975 projects. These include 97 by ADB, and 202 by the Japanese-initiated Forum for Comprehensive Development of Indochina (FCDI).

Thailand: Amnuai's Absence at Kunming Meeting Causes Concern

BK1908071096 Bangkok BANGKOK POST
(BUSINESS Supplement) in English 19 Aug 96 p 3

[Unattributed report]

[FBIS Transcribed Text] Worried by political uncertainty, Deputy Prime Minister Amnuai Wirawan may not attend a Greater Mekong Sub-regional Development meeting in Kunming at the end of this month.

The absence of Dr. Amnuai has caused concern among various parties that a number of important infrastructure projects may be delayed, thus affecting all six participating countries.

A source said Dr. Amnuai decided not to participate because he was worried about the political situation in Thailand, and that Pracha Khunakasem was no longer [deputy] minister of foreign affairs after the withdrawal of the Phalang Tham Party.

He assigned Sombat Uthaisang, deputy communication and transport minister, to attend the meeting on behalf of the Thai delegation.

The meeting is scheduled from August 28-30 in Kunming, China, to finalise many key development projects.

"It (the absence of Dr. Amnuai) causes concern because it weakens the position of Thailand as leader of Mekong development. Dr. Amnuai has long been the key player pushing for sub-regional development and has been responsible for this issue. Mr Sombat hasn't attended a meeting before," the source said.

Important development projects in air transport, tourism, environment, telecommunications and infrastructure will need to be decided at the meeting.

The source said projects to be discussed include an aviation agreement to develop a new route linking Chiang Rai province and China, a project which will greatly

boost the economy through tourism. It is expected to further promote Thailand as an important gateway to China.

In addition, many more aviation links will be discussed involving key destinations such as Luang Prabang, Chiang Tung, and Mandalay with Chiang Rai as the centre.

In regard to telecommunication, participants are expected to discuss 12 important projects that have been delayed.

Thailand, said the source, is responsible for drawing detailed plans to implement these projects.

Participating countries are also to discuss environment projects including training of personnel, conservation of Tonle Sap, and the development of environment projects in tourist attractions of the Mekong region.

Projects are mainly in need of financing from outside agencies or third countries, and such issues require high profile representatives from member countries.

The Indochina Development Fund, which has in the past helped complete the Chiang Rai-Chiang Tung road, is also running short of money. It has 250 million baht, and is awaiting an increase to 350 million baht.

Thailand: Thoe Thai Faction Turns Down Cabinet Posts

BK2008024096 Bangkok BANGKOK POST in English 20 Aug 96 p 1

[Report by unidentified "POST reporters"]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha's struggle for survival was set back yesterday when a faction in his Chat Thai Party rejected his offer of cabinet positions.

The rebuff came as Mr. Banhan moved to reinforce his position ahead of the censure motion the Opposition is to submit to Parliament today.

Buri Ram MP Newin Chitchop, a key figure in Group 16, the largest faction in Thoe Thai, had been tipped to return as deputy finance minister.

A last-minute change of heart by Group 16 stemmed from reports a warrant had been issued for the arrest of Wichian Tancharoen, father of former deputy interior minister Suchat, leader of the group, over the Nong Khai land scandal.

The report was said to have infuriated Mr. Suchat, who called a Sunday night meeting of the group, which suspected the report had been intended to force it to cooperate with Mr. Banhan who, as interior minister, oversees the police.

Group 16, said sources, decided not to join the Cabinet and asked Mr. Newin to pull out of negotiations.

To survive the censure debate, Mr. Banhan needs 196 votes from his 209-member, six-party coalition. But if the 15-MP Group 16 abstained, Mr. Banhan's political downfall would be certain.

In an open revolt against Mr. Banhan's leadership, the group also vowed to team up with the New Aspiration, Social Action and Muan Chon parties to support the constitutional amendment draft by the Chai-anan Samutwanit panel instead of the government-sponsored draft.

New Aspiration leader Chawalit Yongchaiyut yesterday hinted at imminent political changes. "We won't have to wait long," he said, declining to say how his party would vote after the censure debate expected next month.

University Affairs Minister Bunchu Trithong said his Thoe Thai subfaction would abandon Mr. Banhan if he failed to answer the allegations in the debate.

"It's vital the coalition parties put more effort into strengthening government unity," he said. "No party should use vulnerability to gain bargaining power with the Government."

Mr. Banhan's public trust deficit will cost him the premiership if nothing is done, said Mr. Bunchu. Help from the coalition was needed to save the Government, but not Mr. Banhan, who must go if staying meant further damage for the country.

Mr. Bunchu's remarks fuelled speculation Thoe Thai wanted to remind Mr. Banhan it had ammunition with which to demand ministerial posts in the reshuffle expected after the censure debate.

Conceding he was not aware if fellow faction members had tried to negotiate for ministerial posts with Mr. Banhan, he said any such approach would be untimely as nothing was more urgent than gaining public confidence.

"One thing is clear, though. Public faith in the prime minister is going downhill," said Mr. Bunchu.

Thailand: Daily Notes Need To Rid Government of 'Corruption'

BK1908044596 Bangkok BUSINESS DAY in English 19 Aug 96 p 4

[Editorial: "Passive Acceptance of Corruption Must Be Reversed"]

[FBIS Transcribed Text] The debate over political corruption is heating up again now that reform proposals will soon be reviewed for passage by our elected

representatives. The corruption issue is also in the limelight because of the recent claim by Justice Minister Chaloei Yubamrung that new banking licenses were in effect sold for 750 million baht each. And although Mr Chaloei had absolutely no evidence to prove his allegation, many people took his opinion as fact for no other reason than that under-the-table payments are assumed to be "normal procedure" in dealing with this Government and most of the past administrations.

A recent public discussion by scholars of Thai politics centered on the notion that gaining high-level political position in Thailand requires a substantial financial investment. The scholars reasoned further that once the investment is made, it has to be recovered in as short a time as possible because of the vagaries of politics. Several of the experts maintained that the potential for profit in this type of investment is "astronomical". In other words, the politicians are making a business decision in buying votes or doing whatever else is necessary to get into office, and once in power, they have to do whatever is needed to replenish their depleted coffers and to pile on "profits." No major political party can claim to be immune from this get-rich-quick approach, the experts said.

It is a sad reflection of the country's passive attitude towards political corruption that nothing much has been done to rectify the problem except for heaping abuse words on suspected politicians through the media and other means. Thus all it takes for politicians to survive the onslaught is a thick skin. In fact, some prominent politicians go so far as to sign up with companies that paid them off once they left office.

The passive attitude also manifests itself in not holding the payers of bribes accountable for their actions. There is, oddly, even a sense of admiration, for example, for those winners of government concessions who succeeded in paying off officials and are now reaping the benefits many times over.

Surely, the time for accountability has come for all who are involved in corrupt practices to pay their dues. If the political reform package is to succeed, it must ensure that deterrents to corruption are sufficiently strong to dissuade the corrupt politicians as well as the people who hand the money over.

Longer-term solutions to political corruption will have to get at the need to instill new values of social and corporate responsibility.

This cannot be legislated into existence and will take the coordinated efforts of honest leaders in government and in business as well as the hard work of educators in our schools and universities so that new generations

will understand much better than the present one where the line between right and wrong must be drawn.

Thailand: Daily Notes Banhan's Woes, Chawalit's Prospects

BK1908031996 Bangkok THE NATION in English
19 Aug 96 p A1, A6

[Commentary "From the News Desk" by Sorayut Suthatsanachinda: Pull-out Leaves Banhan in Dark"]

[FBIS Transcribed Text] A fortune teller once told Prime Minister Banhan Sinlapa-acha that if he held his coalition government together through his birthday today, he will complete his four-year term in office. And that is what Banhan still believes.

However, the prediction may be the only "solution" Banhan can rely on at the moment because the pull-out by the Phalang Tham Party last week left him in the dark without any obvious way out from the present political crisis.

Before the pull-out, Banhan was already struggling to survive on a day-to-day basis and the situation is now certain to worsen. In the present climate, the prime minister can forget any ambition of creating political stability.

Now he has to hope the budget bill passes its second and third readings today while the six coalition partners gather again in an attempt to work out short-term survival measures. It also seems that, as in their first such meeting last Wednesday, Banhan will again allow New Aspiration Party (NAP) leader Chawalit Yongchaiyut to play the role of power broker.

Last week, Chawalit took control of the meeting, asking the six coalition partners to stay and control their 209 MPs to weather the storm over the budget bill deliberation and an upcoming no-confidence debate without bringing in any new partners.

But today there are new factors to complicate the situation. Banhan is now under pressure from several groups inside Chat Thai, especially the Thot Thai faction, which has demanded Cabinet seats in exchange for support during the censure showdown.

Despite the pressure, Banhan dare not ask Chawalit and other coalition partners about the possibility of reinstating Newin Chitchoo and Phairot Suwanchawi to the Cabinet; his reasoning being that the Chat Thai leader fears that other government partners, especially the NAP and Nam Thai Party, would take the opportunity to leave.

As expected, the opposition has decided to censure Banhan alone as prime minister in its plan to use the

situation to attempt to politically bury him. It is a strategy to make other coalition partners feel reluctant as to whether to remain supportive of Banhan or to take the chance to doublecross him.

Opposition MPs will only attack the prime minister during the planned three-day debate starting on Sept 10. They would censure him for allegedly falsifying the nationality of his father; soliciting donations by his wife, Khunying Chaemsai; the alleged irregularities behind a land sale between his daughter and the Bank of Thailand; and the allegations that he cheated on his master's degree thesis.

The opposition will also point out that Banhan had been incompetent while leading his administration, causing serious damage to the country's economy.

Since the Democrats are taking a lead in the grilling, Banhan could be cornered during the debate which aims to isolate him from other coalition partners. Because of the rhetorical power of the Democrats, the NAP and Nam Thai might jump ship and leave Banhan to sink alone during or after the censure showdown.

It is widely expected that Chawalit will use the no-confidence debate to bury Banhan so that he can hasten his ambition to become prime minister.

But a question mark remains whether Banhan dares to face the debate now that his defense has a lot of weak points. But then again, he does not have many alternatives.

If he dissolves the House or resigns to evade the debate, he will be forever denounced. If he takes up the challenge, he may be politically assassinated or risk being betrayed by the NAP and Nam Thai.

In such a volatile situation, it would not be enough for him to guarantee the support of Thoet Thai by giving Cabinet posts to Newin and Phairot. On the contrary, the agreement with Thoet Thai could serve to prompt Nam Thai and the NAP to politically isolate him. Signs of such a scenario are getting clearer with comments from the two parties that they do not agree with the re-appointment of those "whom the people do not accept" back into the Cabinet.

Commenting on Newin and Phairot's reappointment, Chawalit said the NAP might not be able to tolerate the situation after the no-confidence debate.

As a result, winning a guarantee of support from the 18 Thoet Thai MPs may end up risking the support of 57 NAP and 18 Nam Thai MPs.

It does not need much interpretation to see why Chawalit remains supportive of Banhan during this very unstable time. Many political observers believe

Chawalit remains because he wants to usher Banhan onto the censure ring, which could set the stage for a political assassination of the whole Sinlapa-acha family.

When Banhan is "politically" murdered, Chawalit will be able to remove a contender for the premiership after the next general election. At the same time, Chat Thai could break up, with many of the MPs defecting to the NAP.

Another reason that keeps Chawalit with the coalition is his fear of losing the edge during the next general election if he pulls his party out now.

If Banhan dissolves the House, he would be part of an acting government with the job of organising the election.

What worries Chawalit more than the disadvantages with the possibility of an election coming up is that leaving the coalition would also deprive him of a chance to oversee the annual military reshuffle.

Chawalit believes that after the censure debate, the situation will be ripe for him to pressure Banhan into dissolving the House. When that happens, Chawalit will become an acting defence minister to ensure a smooth military reshuffle.

There is no point in Banhan dissolving the House before the debate because Chawalit would still remain an acting defence minister, while the prime minister would be accused of running scared of the censure debate.

With the military reshuffle in sight and the premiership in mind, answers are readily available to these questions: Why is Chawalit pushing Banhan into the censure debate; why has he been monitoring the news as to whether Chat Phathana would join the coalition?; and why has he also been trying to block other parties from joining?

Thailand: Daily Urges Prime Minister Banhan To Resign

BK1808131796 Bangkok XIN ZHONG YUAN RIBAO in Chinese 16 Aug 96 p 16

[Article by Chanzhen: "How Long Can the Banhan Government Last?"]

[FBIS Translated Text] The Banhan Sinlapa-acha government is almost "short of breath." Local and foreign mass media, especially those in the stock market, see light at the end of the tunnel. They think that the stock market will only have hope when the government collapses. However, nobody can confirm whether the stock market will improve should the government collapse.

But, no one will deny that the condition of the government is in a coma. Even Chat Thai Party Secretary General Sano Thiangthong admitted openly that the government could barely breathe today, but it may have its last breath tomorrow.

The life of the Banhan government is limited. The government lost 23 seats in the House of Representatives after the pullout of the Phalang Tham Party under the leadership of Thaksin Chinnawat. Now, it commands 209 seats, only 14 more than the simple majority. In fact, there should be no problem for the government as it still has the majority in the House of Representatives. Both Prime Minister Banhan and Deputy Prime Minister Sombun Rahong reiterated yesterday that the government continues to be stable. It will not collapse because of the Phalang Tham Party pullout.

They may "say one thing and mean another," or may be "puffing themselves up to their own worth." At least, even Chat Thai Party members do not believe Banhan's words.

In addition to the pullout of the Phalang Tham Party, the Nam Thai Party and the New Aspiration Party are also ready to leave the coalition. Although the leaders of these two parties have repeatedly said that they will continue to support the Banhan government, people doubt these remarks because politicians sometimes can turn white into black and black into white. In particular, will General Chawalit really share comforts and hardships with Prime Minister Banhan Sinlapa-acha until the end?

People in the political circle suspect that General Chawalit will probably bail out when the boat of the Banhan government begins to sink. He will not wait until the boat sinks.

Prime Minister Banhan has repeated that his government has not yet reached a dead end and can continue its administration. But, how can he respond to harsh criticisms against him from public opinion and foreign media which have described his government as one of the most unpopular ones. It will be difficult for him to respond to criticisms even if he tries with the strength of nine bulls and two tigers.

People realize that the best solution for Prime Minister Banhan is resignation. The Chat Phathana and other parties have said that the prime minister should not dissolve the House of Representatives because the political crisis is not caused by the House of Representatives but by the government itself. The prime minister's resignation to pave the way for the selection of a new prime minister and the formation of a new government will be reasonable.

However, will Prime Minister Banhan resign obediently. Perhaps, it is not that easy!

Thailand: Prime Minister's 'Blindness' Said 'Dangerous'

BK1908141896 Bangkok THAI RAT in Thai
19 Aug 96 p 3

[Editorial: "Blindness?"]

[FBIS Translated Text] Prime Minister Banhan Sinlapa-acha made several blunders. He reaffirmed that his six-party coalition would continue to function with the 209 votes it has, and that he would not resign and would not dissolve the parliament. He blamed the mass media — held it responsible — for the government's poor public standing. He said the media just tried to pit politicians against one another.

As regards the government's low public standing, the prime minister said Bangkok is not representative of the entire country, and that the opinion of the people in 60 other provinces must also be taken into account. Although it was denied, there was a report that the government had told the state media — the radio and television service — not to report the opposition's comments against the government.

This is a symptom of blindness, which is very dangerous for a democratic leader. If the government does not accept truth, who will then take care of the accumulated political, economic and social problems of the country? Those who do not admit that there are problems will certainly make no efforts to solve them.

Deputy Prime Minister Samak Sunthorawet, leader of the Prachakon Thai Party, was the first to adopt such a position against the mass media. Now it is the prime minister himself who takes the mass media to task. Was it true that the mass media was responsible for the government's low public standing? As examples, let us examine certain controversies that took place during the past year, since this government took office.

The story of bribe involving the Swedish submarine company was a story published in a Swedish newspaper based on findings by a Swedish research writer. It was not first revealed by Thai papers; Thai press only reported the stories publicized worldwide by international news agencies.

The land grab in Nongkhai Province involving cabinet ministers or members of parliament of the Chat Thai Party was first revealed by the opposition during a House session. Persons involved in the accusations have never the public given satisfactory answers. Also, the report about the bribe given by Rakesh Saxena for the

Chat Thai Party's election campaign was revealed by Rakeah himself, and was not a press finding.

Now, as regards the last scandal — concerning a kick-back of 750 million baht for each new banking license — this was revealed by Justice Minister Chaloea Yubamrung. The mass media had nothing to do with it. What was worse, when the expose became an issue, instead of sacking the minister in question, the prime minister tried to reconcile with the justice minister. So what do you want the people to understand?

Thailand: Coalition MPs Urge Banhan To Step Down

BK2008025696 Bangkok BANGKOK POST
in English 20 Aug 96 p 3

[Unattributed report]

[FBIS Transcribed Text] Government MPs yesterday called for Prime Minister Banhan Sinlapa-acha to step down rather than dissolve the House.

Nam Thai deputy leader Siri Thiwaphan said the Government's problems stemmed from its own shortcomings and were not the fault of the MPs as a whole.

Therefore the premier should not dissolve the House, which would also have the effect of weakening the country's political system and economy, Gen. Siri said.

According to Gen. Siri, a number of MPs want Mr. Banhan to make way for someone else.

New Aspiration MP for Khon Kaen Premsak Piayura said he expected intensive vote-buying at the next election; the old faces would be back and the new government would be even more short-lived.

He suggested Mr. Banhan resign "to take responsibility for his failure as head of the Government".

The Prime Minister said yesterday he would not resign to escape censure.

"Some say I don't dare face a censure debate. Forget it. That will never happen in this life. I will not resign. I will not go," said Banhan.

He said that before dealing with such matters as a cabinet reshuffle, he would be giving his full attention to three matters: the budget, amendment of Article 211 of the Constitution, and the censure debate.

"I'm ready for any accusations regarding corruption, poor performance or inefficiency, but I won't put up with personal attacks," he said.

Mr. Banhan has been accused of prematurely forcing the closure of the last censure debate when the Opposition

was about to grill him over alleged plagiarism and forging his nationality and date of birth.

"I won't mind if they tell me I've done great damage to the economy and the people, because I'm ready to explain," he said.

Mr. Banhan reaffirmed that there would not be a cabinet reshuffle at this time as the duties of Phalang Tham ministers had been taken over by existing ministers.

For instance, Deputy Premier Samak Sunthorawet was to oversee Bangkok's traffic problem, which had been the responsibility of deputy PM Thaksin Chinnawat before he resigned.

Regarding amendment of Article 211, Mr. Banhan said he would press for passage of the bill. But he was not sure whether the final version of the bill would satisfy everyone.

The bill is scheduled to be debated by the House of Representatives on Thursday.

Mr. Banhan said there were pros and cons both to the original draft proposed by the Government and the one altered by the committee chaired by Chai-anan Samutwanit.

Thailand: Prime Minister Reaffirms Stand To Stay in Power

BK2008051996 Bangkok Radio Thailand Network
in Thai 0000 GMT 20 Aug 96

[FBIS Translated Text] The prime minister yesterday reaffirmed that he would not dissolve the parliament nor resign from the prime ministerial post before he clarifies doubts of the opposition bloc in the no-confidence debate.

On his 64th birthday anniversary yesterday, Prime Minister Banhan Sinlapa-acha offered food to the monks and held activities in accordance with Buddhist beliefs, while the meeting of the House of Representatives to deliberate the draft budget bill for the fiscal 1997 began at about the same time. The meeting began later than schedule because many Members of Parliament arrived late after carrying out activities in their respective constituencies. As a consequence, the opposition accused the prime minister of having no responsibility over the deliberation of the budget bill.

On the occasion of merit-making activities to mark his birthday in Suphan Buri Province, the prime minister talked to reporters about the calls for him to either resign or dissolve parliament. He said he would not fall political victim either by dissolving the parliament or resigning from the post but will try to fulfill commitments

given to the people concerning amending Article 211 of the Constitution first. At the same time, he also wants to dispel the opposition's doubts, who has frequently said he evaded the previous no-confidence debate.

[Begin Banhan recording] There have been various misleading attempts so that draft bill amending constitutional article paving the way for political reform will not pass in parliament. As far as I am concerned, I think that it must not fail to pass. We must try to push for the passage of the draft bill by one way or another. This is because I have made a promise to the people. Although I have already announced that I will neither dissolve parliament nor resign, some groups have continued to make calls for me to do one or the other. Some are asking me to resign. Why should I become trapped? I still have to fulfill my commitment on Article 211. Or else, a guilty stain will always remain on my political career because I have made a promise to the people. Another important point is that I must get a chance to clarify all doubts. The opposition has repeatedly said that I evaded the previous censure debate. On that day, I will explain what were the reasons for the premature end of the previous censure debate. Give me time to explain it before clarify all the charges launched by the opposition. At this point, I will not evade either. Some people said the prime minister would not dare face the debate but would resign before the censure debate. Forget it, I will never do that. [end recording]

Thailand: Opposition Submits No-Confidence Motion Against Banhan

BK2008075796 Bangkok Radio Thailand Network
in Thai 0530 GMT 20 Aug 96

[FBIS Translated Text] The opposition bloc submitted a motion of no-confidence debate against Prime Minister Banhan Sinlapa-acha soon before noon today.

Opposition leader Chuan Likphai and leaders of the opposition parties submitted to House speaker Bun-ua Prasetsuwan at the Parliament a motion requesting for no-confidence debate against the prime minister. The proposal was made in accordance with Article 156 of the 1991 Constitution of the Kingdom of Thailand, the fifth Amendment of 1995. The no-confidence motion states:

As it has been widely known, Prime Minister Banhan Sinlapa-acha has administered the country without knowledge, capability, efficiency, vision, appropriate consideration, virtue, ethics, and leadership. He has committed unscrupulous, selfish, irresponsible, and unrespectable acts, colluding with ministers in the government and his colleagues to use the post, authority, and influence to illegally seek benefits; being negligent to

acts of corruption; and thinking only of his own survival rather than the country's survival. He has also committed illegal acts; failed to implement the policy announced to the Parliament; deliberately violated people's rights and freedom to obtain news and information; forced the mass media to present one-sided reports with the intention to conceal the vicious acts committed by himself and the government. Such a way of national administration has caused serious damages to the country in the administrative, foreign affairs, political, economical, social, and ethical fields. With the aforementioned reasons, all of us whose names are attached at the end of this motion, consider that Mr. Banhan Sinlapa-acha now absolutely lacks legitimacy to remain in the post of prime minister, and if he is allowed to continue the national administration, he will incessantly cause more serious damages to the country, especially the damages to the democratic system.

After submitting the motion, opposition leader Chuan said that the motion was submitted in accordance with Article 156 of the 1995 Amendment of the Constitution of the Kingdom of Thailand.

[Begin recording] [Chuan] The House speaker has informed us that he will send the motion letter to the secretary general of the Parliament to check the list of names in order to comply with the Constitution. However, he said the tentative date for the censure debate is 11 September 1996. He will inform government of the date set to see if the government would be ready. Therefore, today every thing has been done in accordance with the procedures. The only one more step is the names checking to make sure they are correct in order to prevent any problem that may arise at the time of the censure debate. [end recording]

Thailand: Paper Sees No Solution as Politicians Fear Elections

BK1808074896 Bangkok THAILAND TIMES
in English 17 Aug 96 p A4

[Editorial: "To Get the Best of the Bad Lot Is Beyond the People"]

[FBIS Transcribed Text] The Chat Thai Party (CTP) led Seven-party Cabinet has come to an end with the withdrawal of Phalang Th?m Party (PDP) from the government. The former partymates of CTP in Chat Phathana Party (CPP) have intimated that the party "would be ready to work with any other parties in a new government, on condition that Banhan resigns," underlines CPP leader Gen. Chatchai Chunhawan.

Like all previous coalitions in Thai political history, any envisaged political marriage will not be without

its wranglings, controversies, and infighting for Cabinet portfolios. Happy ending for some and disappointment for others.

The current political dilemma has been a lively entertainment and fiesta of political parties walking in and out of the Banhan residence and posh hotels bargaining for cabinet quotas in return for their respective support. Although, politicians have denied when questioned by the media.

The demand for the resignation of the Chat Thai leader from the premiership and the wrangling that is certain to follow such a situation may have far more repercussion for the Kingdom and its economy than the prevailing one.

Whatever shape and size the anticipated government would take, the public are certain that in the end they will be able to see politicians once at each others throats lock hands and raise them up in the air proclaiming their solidarity and unity.

During the second week the people are also sure of the infighting that would follow when the cabinet is being shaped. In the process it will be interesting to see which of the present holders of office will be willing to exchange or vacate their seats for the sake of coalition unity.

The public who have too often seen the behavior of politicians especially, when it comes to cabinet positions, are sure to see the continued amusement produced by our political clowns in the name of nation building.

One of the common features in addition to wranglings within members of major coalition partners for cabinet positions is virtually, to place "explosive political" mines surrounding those who stood between them and their goals.

The public is also aware of proponents and opponents to cabinet positions within the appropriated quota arrangements for coalition partners. The whole segment being politicians, and to which ever party they belong, most have at one time or another served in one or more of the parties contesting for cabinet positions. These so-called public figures have not hidden their disappointments over appointments to ministerial positions and begin to despise the leaders for depriving their part of the spoils.

Whichever party is involved in the formation of the next government, a shaky, suspicious foundation cannot be ruled out.

Regardless, of how people will view the future government, it seems Banhan is going to stay. The length

of time will of course, depend on how long coalition partners will be able to maintain the trust between each other just as it lasted until the PDP pull out after one year.

The tenure of office is unimportant at the moment, not for at least another 18 months. Unless, something drastic happens in parliament. The question now is not whether the government has any legitimate right to rule but rather what it should do to gain the loss of confidence and legitimacy.

There are a number of areas in which one would want to see the anticipated government perform. First and foremost, one would expect the government to become more active in its effort to boost democratic development in the Kingdom. To start with, the new constitution with provisions to accommodate a truly democratic system will need to be implemented sooner. More importantly, decentralization of power would have to be initiated early.

The dent already created in the minds of the public in the economic and investment spheres, should be alleviated immediately by a transparent and vigilant policy. Correct and rational measures would be needed in order to enhance confidence in the new government and its financial policy.

Laws that hinder smooth commerce must be repealed in order to allow rationality to reign supreme. Efforts must be made to guarantee prevailing business would be fostered by an honest and stable government, infrastructure projects should not be subjected to start all over again under the new minister, but must go ahead on earlier foundations and completed on schedule.

Social problems such as the rising crime rate must be controlled with more efficient and effective law enforcement. The reality of child prostitution must be accepted and curbed. The rising cost of living must be addressed and immediate steps taken to control inflation, and bank rates reduced. An immediate program to meet the demands of the poor and rural population must be given top priority.

The government must remember to survive under a democracy it will need the people and that it could only last as long as the people are willing to support it. The task of the government is to be honest. But, in the search for that honesty from the "best of the bad lot" is beyond the people. Because, that right without a mandate from the people is zealously guarded by the politicians themselves. Obviously, politician on both sides of the house are afraid to face the people for a verdict, and their opposition for elections at this juncture

by calling for an immediate dissolution of parliament is understandable.'

Thailand: Wirot Backs Thawan as Candidate for Top Army Post

BK1708120396 Bangkok BANGKOK POST
in English 17 Aug 96 p 1

[Report by Soemsuk Kasitpradit and Watsana Nanuam]

[FBIS Transcribed Text] Assistant Army Commander Thawan Sawaengphan emerged as a surprise candidate for the top army post yesterday.

Supreme Commander Wirot Saengsanit threw his support behind the officer, bypassing Army Commander Pramon Phalasin's decision to give the job to Deputy Commander Chettha Thanacharo.

Defence Minister Chawalit Yongchaiyut told the supreme commander to settle the issue with outgoing Army Commander Pramon Phalasin before passing on the final reshuffle lists.

Gen. Chawalit said he did not want to get involved in the pending reshuffle, a source said.

Armed Forces Chief-of-Staff Mongkhon Amphonphisit, originally strongly tipped to become the new army commander, has told the supreme commander that he prefers to pursue his career at the supreme command rather than to be shifted back to the army.

Gen. Mongkhon, known to have close ties with the defence minister, and Gen. Chettha are graduates of Chulachomklao Military Academy Class 9.

The former will retire in 2000, while the latter has another two more years in office.

"Gen. Chettha is a former classmate of Gen. Mongkhon. Gen. Mongkhon feels uncomfortable under present circumstances, and wants to see his friend promoted instead," said one three star general.

Several senior military officers share the view that Gen. Chettha's chances of being promoted to army commander are slim.

Gen. Wirot, widely known to be at odds with Gen. Chettha, wants to see the promotion of Gen. Thawan, a classmate from Chulachomklao Military Academy Class 7 whose members included Chamlong Simuang and Manun Ruphakchon.

Gen. Wirot met Gen. Chettha at the Supreme Command for an hour yesterday, and reportedly told him of his decision.

Sources said the supreme commander had decided to pick Gen. Thawan, because Gen. Wirot felt that the

officer had an unblemished military record and had distanced himself clearly from politics.

"The issue is not yet over and one should not forget that Gen. Chawalit has full authority to make changes to the proposed reshuffle lists," said one officer, who added that he was sure the defence minister would eventually initiate changes to the reshuffle lists.

Gen. Chawalit said repeatedly that he would not make any changes to the armed forces-proposed reshuffle lists this year.

If Gen. Thawan is promoted to the top army post, he will be the first army commander to have graduated from a foreign military institution (he won an army scholarship to finish his military studies at the Philippines Military Academy).

Gen. Thawan, an artillery officer, also has close ties with Gen. Pramon as both officers were in the army's directorate of operations.

But Gen. Pramon had no choice but to seek the promotion of Gen. Chettha, as the army deputy commander is senior to Gen. Thawan.

Thailand: Central Bank Governor: Bank Will Defend Baht

BK1808114896 Bangkok THE SUNDAY NATION
in English 18 Aug 96 p A1

[Report by Chiwamon Kanoksin]

[FBIS Transcribed Text] Phuket — The Bank of Thailand will not hesitate to enter the currency spot market and forward currency swap market to defend the baht if it is challenged by foreign speculators, central bank governor Roengchai Marakanon said yesterday.

His statement served as a strong warning to currency speculators that they could lose heavily if they apply pressure on the baht because the central bank would become an active and stabilising player in foreign exchange markets.

Speaking at the third Forex Southeast Asia Forum, Roengchai signalled that the central bank has shifted its defensive operation into a more proactive policy in defending the Thai baht, which has been repeatedly subjected to rumours of devaluation.

"I would like to make it known that we will not confine our action to the swap market only, but are prepared to extend our reach in the spot market if necessary," he warned.

Early this month the Bank of Thailand, for the first time, entered the forward currency swap market in Hong

Kong and Singapore to successfully defend the baht after it had been heavily dumped on rumours of a devaluation.

With international reserves of US\$39 billion (Bt975 billion), Thailand is financially capable of dealing with any foreign attack on its currency.

The swap market is where dealers trade future contracts of different currencies. With the liberalisation of the Thai economy and financial services, trading of the baht is no longer confined to local players. There is active trading between banks in Hong Kong and Singapore, where volume averages \$12 billion to \$13 billion a day.

Roengchai did not explain how the central bank would enter the spot market to defend the baht. The Exchange Equalisation Fund, its foreign exchange unit, is fixing the mid-rate for baht/US dollar trading on a daily basis, making it almost unnecessary to intervene in the spot market.

Roengchai said adoption of a pro-active foreign exchange policy did not mean the central bank was seeking to test or invite further challenges from the speculators.

"While we don't want to be tested, we are certainly prepared, and equipped, to do whatever is necessary to preserve the value of our currency," he said. "An attack on the baht would be considered a direct attack on the Bank of Thailand and would be dealt with accordingly."

Currency speculators have repeatedly bet on rumours that Thailand will be forced to devalue to jump-start exports and tackle its current account deficit. But the governor also stressed that the central bank had no policy to adjust the present exchange rate or the exchange rate arrangement, under which the baht is fixed to a basket of currencies dominated by the US dollar, Japanese yen and German mark.

Vietnam

SRV: Labor Paper Comments on Effect of D'Amato Bill

BK2008065196 Hanoi LAO DONG in Vietnamese
17 Aug 96 p 4

[Commentary by La Mich Nhu: "Once Economic Interest Prevails"]

[FBIS Translated Text] The fuel gas supply agreement between Turkey and Iran, in the same way as the agreement between Western Europe and the [former] Soviet Union many years ago, is a blow to the policy of the United States who gives itself the right to make the rules of the game of international relations. Whenever practical economic interests prevail, all ties

and responsibilities in defense and security alliance, such as NATO, are all swept into the background.

In late 1970's, when the U.S. maintained an economic embargo against the Soviet Union, many strategic allies of the U.S. signed agreements with the Soviet Union to build a system of natural gas lines from the Soviet Union to Western Europe. History is repeating itself: The so-called D'Amato bill was just signed by President Clinton not long ago when Turkey, a close ally of the U.S., who has a strategic role in the Middle East, the Balkans, Central Asia, and the Muslim world, signed a cooperation agreement with Iran on oil and natural gas worth over \$20 billion over a period of 20 years.

The agreement was signed last Monday by Turkish Prime Minister N. Erbakan during his visit to Iran, the first overseas visit by the Muslim prime minister since he took power in late June. Among the economic agreements there was an communique of the Joint Economic Committee announcing the intention to increase trade turnover from the current level of \$960 million to \$2.5 billion, an agreement that Iran will increase crude oil exports to Turkey from four to five million tonnes annually, and the two sides will give preferential taxation treatment to each other for the purpose of encouraging private investment.

The two sides also discussed issues related to peace and stability in the region as well as the struggle against terrorism.

The economic and political significance of this event go beyond the realm of relations between Turkey and Iran. The first overseas tour by the new Turkish prime minister demonstrates a decisive shift in Turkey's external relations toward its neighboring Muslim countries. When Mr. Erbakan took office, there were some predictions that such a change would occur, but no one ever expected that he would put the new relations higher than strategic security and defense relations with NATO allies, and especially with the U.S. Iran now becomes the second largest provider of oil and gas to Turkey after Russia, and the situation helps Turkey ensure its oil supply as well as to be in an advantageous position in negotiation with Russia in oil and gas supply.

Apart from improvement of relations with Iran, Turkey is resuming relations with Iraq and Syria. For the first time after the Gulf War (1991), relations at the ministerial level between Turkey and Iraq have been resumed. Many Turkish economic delegations have visited Iraq. The Turkish prime minister recently launched a proposal for a high-level meeting between four countries — Turkey, Iran, Iraq, and Syria — to discuss the problem of Kurdish people in north Iraq. Turkey becoming closer to these countries, especially to Iran and Iraq,

at a time when the U.S. is trying to isolate and impose embargo measures against the two countries, has pushed the U.S. into an awkward position. Just as the Helms-Burton Law against Cuba has created profound disagreement between the U.S. and the EU and Canada, the D'Amato bill is putting the U.S. on one side, and EU and Turkey on the other. It was the bill that helped the fuel gas agreement between Turkey and Iran to be signed more quickly. Turkey and Iran had been discussing this issue since the 1970's but could not come to a concrete result because of lack of commitment on Iran's part. There are no stronger and more effective ties than practical economic ties. The first outcome of the D'Amato bill which aims at isolating Iran and Libya is pushing Iran closer to a strategic ally of the U.S., Turkey. So far nobody knows whether the bill will effectively ever punish anyone, but it has helped Iran to earn nearly \$1 billion annually from the above business contract.

The agreement between Turkey and Iran will not affect Turkey's security and defense relations with NATO. But once again it confirms the truth which has been illustrated in the case of the Helms-Burton Law: Essential national interests are always more concrete and convincing than commitments for general responsibilities which the U.S. usually uses to press its allies into following its own wishes.

SRV: Deputy Prime Minister Attends Bruneian Royal Wedding

*BK2008023296 Hanoi VNA in English
1546 GMT 19 Aug 96*

[FBIS Transcribed Text] Deputy Prime Minister Tran Duc Luong is now in Bandar Seri Begawan, the capital of Brunei Darussalam, to attend the wedding ceremony of the eldest princess of Bruneian King Haji Hassanal Bolkiah on 18 August.

On behalf of Prime Minister Vo Van Kiet, Deputy Prime Minister Tran Duc Luong attended the ceremony at the invitation of King Haji Hassanal Bolkiah.

Also on 18 August, Deputy Prime Minister Luong met with the Bruneian king during which he expressed his satisfaction at the fine development of the friendly and cooperative ties between Vietnam and Brunei over the past time, especially after Vietnam became a full member of the Association of Southeast Asian Nations (ASEAN) in July last year.

King Haji Hassanal Bolkiah said that the presence of Deputy Prime Minister Luong at the wedding ceremony was a manifestation of the fruitful friendship and cooperation between the two countries. The Bruneian king expressed his belief that bilateral comprehensive

cooperation would unceasingly developed not only in the interest of the two countries but of the region as well. He said he hoped to visit Vietnam at the invitation of President Le Duc Anh at a convenient time.

While in Brunei, Deputy Prime Minister Luong cordially received Bruneian Minister of Transport Zakaria. The two sides compared notes on cooperation projects in several fields of common concern, especially in investment and trade.

Bruneian Ambassador to Vietnam Dato Yunos and Vietnamese Ambassador to Brunei Nguyen Ngoc Dien were also present at the reception.

SRV: Another 214 Vietnamese Repatriated From Hong Kong

*BK1808114396 Hanoi Voice of Vietnam in English
1000 GMT 16 Aug 96*

[FBIS Transcribed Text] Another 214 Vietnamese repatriated from Hong Kong Thursday under the repatriation program reached between Vietnam and Hong Kong. It was the second batch in the last three days.

Hong Kong has so far forced 4,800 Vietnamese boat people to repatriate.

SRV: Lao Party Officials on Working Visit

*BK1908160296 Hanoi VNA in English
1525 GMT 19 Aug 96*

[FBIS Transcribed Text] Hanoi VNA Aug 19 — A delegation from the Steering Board for Practical and Theoretical Study of the Lao People's Revolutionary Party (LPRP) has paid a working visit to Vietnam from August 13.

The delegation led by Sileua Bunkhamwn, member of the Central Committee of the LPRP, was received on August 7 by Le Duc Binh, Politburo member of the Communist Party of Vietnam Central Committee.

Mr Binh informed his guests of theoretical researches being carried out recently by the party and stressed that the special time-honoured solidarity between Vietnam and Laos and the cooperation between the two countries's colleagues working in the area of theoretical and practical study would be steadily enhanced.

Mr Sileua introduced theoretical issues of his party's concern.

While here, the Lao guests had working sessions with colleagues from the Institute of Marxism-Leninism and Ho Chi Minh's Thoughts, paid a tribute to the late President Ho Chi Minh at his mausoleum, and

called at the Ho Chi Minh Museum and the Vietnam Revolutionary Museum.

They also visited some production establishments in Hanoi and the northern provinces of Quang Ninh and Hoa Binh.

Vietnam: Party and State Leaders Receive Lao Minister

*BK2008021496 Hanoi VNA in English
1559 GMT 19 Aug 96*

[FBIS Transcribed Text] Party General Secretary Do Muoi and Prime Minister Vo Van Kiet received here today on separate occasions Mr. Osakan Thammatheva, politburo member of the Lao People's Revolutionary Party (LPRP), head of the LPRP Commission for Information and Training now on a working visit to Vietnam.

Mr. Osakan Thammatheva, who is also minister of Information and Culture of Laos, conveyed LPRP President Khamtai Siphandon's regards to party General Secretary Do Muoi. He affirmed that Vietnam's experience and achievements in culture-information development would be valuable lessons for the management and development of culture and information in Laos. He said that his country has highly appreciated Vietnam's assistance in experts and techniques.

The Vietnamese party leader asked Minister Thammatheva to convey his best regards to President Khamtai Siphandon and other Lao leaders and expressed his satisfaction at the results of working sessions of the culture and information delegations of Vietnam and Laos, and his wish that the Vietnamese and Lao peoples would cooperate, exchange experience and help each other to preserve valuable culture of each country.

General Secretary Muoi said that strategic and lasting target of the communist party and the people of Vietnam is to build a modern culture with national characters.

Speaking to Vietnamese Prime Minister Kiet, Mr. Thammatheva expressed his pleasure at the fine and fruitful development of the special friendship and comprehensive cooperation between Laos and Vietnam in general, and between the two culture and information services in particular. The Lao minister expressed sincere thanks to the Vietnamese Government and people for their effective assistance to the Lao people's national construction and defense. He said he hoped that Vietnam would further promote assistance to and cooperation with Laos, and share its experience in cultural and information activities with Laos.

Prime Minister Kiet briefed his guests of Vietnam's achievement and experience in the recent renovation

process and in the culture and information activities. He said that the cooperation and mutual assistance between the two countries have an important significance in the construction and development of each country.

The prime minister said he hoped that the protocol on culture and information cooperation plan between Vietnam and Laos signed during the visit by the two ministers of culture and information the same day would begin a new stage of development in cultural cooperation, thus contributing to strengthening the traditional friendly and cooperative ties between the two countries.

On this occasion, Prime Minister Kiet asked the Lao minister to convey his best regards to Lao Prime Minister Khamtai Siphandon.

SRV: Vice President Holds Talks With Lao Counterpart

*BK2008163896 Hanoi VNA in English
1523 GMT 20 Aug 96*

[FBIS Transcribed Text] Vice State President Nguyen Thi Binh held talks here this afternoon with her Lao counterpart Sisavat Keobounphan, who arrived here today on an eight-day friendly visit.

Present at the talks on the Vietnamese side were Head of the Presidential Office Nguyen Viet Dung, Deputy Foreign Minister Vu Khoan, Deputy Minister of Planning and Investment Vo Hong Phuc, Deputy Head of the Commission for External Relations of the Communist Party of Vietnam Central Committee Do Van Tai, and Vietnamese Ambassador to Laos Bui Van Thanh and on the Lao side Head of the Lao Presidential Office Thoongdam Chanthaphon, Deputy Foreign Minister Phongsavat Boupha, Lao Ambassador to Vietnam Khamtaing Sayakorn and others.

At the talks, the two vice presidents compared notes on each country's situation and discussed international and regional issues of mutual concern. Mrs. Binh expressed her pleasure at important achievements gained by the Lao tribes during the ten-year renovation process in the maintenance of political stability, assurance of security and national defence, socio-economic development, improvement of people's living conditions, and broadening of international relations. She also expressed her belief that with their achievements and new favourable conditions under the leadership of the Lao People's Revolutionary party, the Lao tribes would successfully implement the resolution of the sixth national party congress and socio-economic targets toward the year 2000 in order to build their country into a peaceful, independent, democratic, unified and prosperous one.

Vice President Sisavat Keobounphan expressed his pleasure at the success of the eighth national congress of the Communist Party of Vietnam and the achievements obtained by the Vietnamese people in their renovation process and implementation of the external policy of openness, diversification, and international and regional integration, thus contributing to the cause of peace, national independence, democracy and social progress in the world.

They expressed their satisfaction at strong and fine development of the traditional friendship relations, special solidarity and comprehensive cooperation between the two countries. They also discussed directions and measures to continue implementing the agreements signed between leaders of the two parties and countries, particularly the strategy of economic, cultural, scientific and technological cooperation between Vietnam and Laos for the 1996-2000 period.

Mrs. Binh also welcomed the Lao policy in preparation for joining ASEAN in 1997 and affirmed that Vietnam is willing to share its experience on ASEAN admission with Laos and her belief that the two countries' cooperation would be further broadened in the frame work of asean cooperation.

SRV: Relations, Cooperation With Singapore Reviewed

*BK1808125796 Hanoi Voice of Vietnam in English
1000 GMT 16 Aug 96*

[Station Commentary]

[FBIS Transcribed Text] Singaporean Foreign Minister Shunmugan Jayakumar arrived in Hanoi on August 16 for an official visit to Vietnam. This is the first Vietnam visit by Foreign Minister Jayakumar since he took power in January 1994. Our radio commentator has more to say.

The Singaporean foreign minister Mr. Shunmugan Jayakumar, later in the day, will hold talks with Prime Minister Vo Van Kiet to review bilateral cooperation and investment activities. These are important steps to boost bilateral cooperation. In fact, the Vietnam visit by the Singaporean foreign minister took place at the time when bilateral cooperative ties have made encouraging progress, especially after the exchange of top-level visits. In October 1993, party General Secretary Do Muoi visited Singapore; in May 1994 and in September 1995 Prime Minister Vo Van Kiet and National Assembly Chairman Nong Duc Manh visited this beautiful island respectively. In March 1994 and May this year, Singaporean Prime Minister Goh Chok Tong visited Vietnam. In his latest visit to Vietnam, Prime Minister Goh Chok Tong decided to carry out

the biggest project of Singapore in Vietnam that is to rebuild Song Be Province, about 20 km north of Ho Chi Minh City with the initial investment of \$53 million.

Singapore has attached importance to its relations with Vietnam and considered Vietnam an important trade and investment partner. The two countries have signed seven cooperation agreements and Singapore is now the second biggest foreign investors in Vietnam after Japan and the biggest investor among ASEAN member countries with 120 projects totally valued at \$1.87 billion.

The Vietnam visit this time by the Singaporean Foreign Minister will help bring bilateral cooperation and relationship to a new step of development.

SRV: Station Editor Reviews Vietnam-Singapore Ties

*BK2008063396 Hanoi Voice of Vietnam in English
1000 GMT 19 Aug 96*

[Station commentary]

[FBIS Transcribed Text] Singapore Foreign Minister Shunmugan Jayakumar concluded his visit to Vietnam last Saturday. Our radio editor reviews this event:

Vietnam-Singapore relations have developed positively since Vietnam's joining the ASEAN in July last year. Bilateral friendship and cooperative ties have been further promoted. Singapore is not only the largest investor of ASEAN countries in Vietnam but also the second biggest trade partners with Vietnam of all nations.

The visit to Vietnam by the Singapore foreign minister was to discuss an identified way to further develop bilateral cooperative ties and effectively implement agreements reached by the senior officials of the governments of Vietnam and Singapore.

During his stay in Vietnam, Foreign Minister Shunmugan Jayakumar held talks with his Vietnamese counterpart Nguyen Manh Cam and was received by Prime Minister Vo Van Kiet who highly appreciated the results of the talks between the two foreign ministers. He stated he believed the construction of the industrial zone in the southern province of Song Be as a joint venture between the two countries would become a model for cooperation with foreign partners in Vietnam. He pinpointed Singapore's experiences in tourism as being invaluable to the future development of tourism resorts at Dalat, Nha Trang as an eco-tourism region of Van Phong in Southern Central of Vietnam.

Meanwhile the Singapore foreign minister stated: His country attached a great importance to developing friendship and cooperative ties with Vietnam, continuing to support Vietnam in its efforts for economic development, and trying to find out new areas for cooperation in the interest of both countries and the region. He stated Singapore would develop a cooperation program with Vietnam over one or two years with specific projects to help Vietnam integrate into the region and the world.

He stated relations between the two countries were developing well and the agreements between the two countries' prime ministers were being implemented. He affirmed his country's readiness to share its experiences with in infrastructure construction, finance training, education, and tourism. He also wished to share with Vietnam experiences in organizing international conferences and supporting Vietnam in playing host to an ASEAN summit in 1998.

He said a new page in the friendship and cooperation between the two countries would be open from an agreement reached during this significant visit.

SRV: People's Security Force Awarded Gold Star Order

*BK1708144396 Hanoi VNA in English
0620 GMT 17 Aug 96*

[FBIS Transcribed Text] The People's Security Force have been awarded Gold Star Order, the highest distinction of Vietnam, for its outstanding contribution to the maintenance of national security.

Vice President Nguyen Thi Binh, Vice Chairman of the National Assembly Dang Quan Thuy, Head of the State President Office Nguyen Viet Dung, Interior Minister Bui Thien Ngo were among those who attended the awarding ceremony held here yesterday.

Over the past 51 years the People's Security Force in particular and the People's Police in general under the leadership of the party and state have successfully conducted the fight against reactionary forces to defend the party, the socialist regime, and peaceful life of the people. It has received many noble awards recognizing its contributions.

To fulfill the assigned tasks in the new stage, the security force has to reform itself and coordinate with other forces to defeat the "peace evolution" conducted by hostile forces against Vietnam in order to ensure political stability and contribute to the renovation process of the country.

Meanwhile, the police of the central coastal province of Quang Nam-Danang held a ceremony in Da Nang

yesterday to mark its 51st founding anniversary (19 August) and to receive the Military Exploit Order, First Class.

SRV: Government Seeks Foreign Investment To Develop Roads

*BK1708134996 Hanoi VNA in English
0609 GMT 17 Aug 96*

[FBIS Transcribed Text] The government is seeking foreign financial support to build 160 big and small bridges in central and southern Vietnam, and improve rural road networks in 38 cities and provinces in the country.

A number of transport and communications projects have to date won financial assistance from international organizations and foreign countries. The World Bank has pledged to assist Vietnam to restore and upgrade land roads in 15 provinces.

Japan has provided funding for \$35-million projects to build 21 bridges and upgrade eight others in the North. It will also grant loans to Vietnam to buy asphalt to cover rural roads.

Vietnam now has more than 78,500 km of unpaved roads, two-thirds of them in rural areas. In addition there are 200 bridges in poor condition which must be rebuilt to meet the fast demand for transport.

SRV: President Le Duc Anh Lectures Country's Envoys Abroad

*BK1808140196 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 17 Aug 96*

[FBIS Translated Text] Comrade Le Duc Anh, member of the party Central Committee Political Bureau and president of the state on 17 August met and held cordial talks with Vietnamese ambassadors, charges d'affaires, and consul generals at the Presidential Palace in Hanoi. These Vietnamese envoys are in Hanoi to study and discuss measures to implement resolution of the Eighth National Party Congress.

President Le Duc Anh pointed out that diplomatic tasks in the days ahead should include efforts to restore the peace environment; create more favorable international conditions for accelerating socioeconomic development and national industrialization and modernization; strengthen national construction and defense; and positively contribute to the world people's common struggle for peace, national independence, democracy, and social progress.

President Le Duc Anh urged Vietnamese ambassadors, charges d'affaires, consul generals, and diplomats to

study and profoundly grasp resolution of the Eighth National Party Congress; continue to carry out the foreign policy of independence and sovereignty; promote the open-door policy; and expand the diversified foreign relations on the basis of the principle of respecting each other's national independence, sovereignty, and territorial integrity; non-interference to each other's internal affairs; and cooperation in strengthening peace, stability, and development.

SRV: Import-Export Figures Update

BK1708131896 Hanoi VNA in English
0551 GMT 17 Aug 96

[FBIS Transcribed Text] Vietnam's import turnover in the first seven months of this year reached about U.S.D6.8 billion, and its export turnover reached U.S.D3.7 billion, excluding earnings in foreign currency by branches' earnings amounted to U.S.D800 million.

It is estimated that in the first six months of this year, amount of foreign currency earned by the these branches' earnings amounted for U.S.D80 million.

Shoes company in the Mekong Delta province of Vinh Long has so far this year exported more than 160,000 pairs of sport shoes to Spain, Italy, Sweden, Mexico, earning U.S.D1.2 million, up by nearly 90 percent over the previous corresponding period.

The company has signed a contract for the 1996-99 period under which it annually exports one million pairs of sport shoes to South Korea.

SRV: Party Leader Urges Trade Unions To Take Pioneer Role

BK1708135596 Hanoi VNA in English
0637 GMT 17 Aug 96

[FBIS Transcribed Text] Party General Secretary Do Muoi has called on trade unions to take the lead in realizing the party's resolutions on national development.

The party leader reaffirmed the vital role of the close alliance between Vietnamese workers, farmers, and intellectuals, with the worker class serving as core, in the country's new stage of development. This alliance, he added, should be economically and politically strong to ensure the successful building of socialism in Vietnam.

Speaking at a meeting recently held in Hanoi by the central committee of the Vietnam General Confederation of Labor, the party leader highlighted the role of the working class and trade unions, and pointed out the urgent tasks to raise the workers' revolutionary consciousness and the development of the party in the coming times.

The three-day meeting, which ended yesterday, disseminated the resolutions adopted by the party at its Eighth National Congress held more than a month ago, and discussed tasks to be taken by the trade union organizations from now to 1998.

Participants to the meeting also focussed their discussions on how to build up workers into a professionally and morally qualified class so that, together with other social classes, it can carry out the country's industrialization and modernization program, and how to effectively fight corruption and smuggling, and to protect the working people's life. The leading role of state-owned businesses, the equitization scheme and policies on healthcare and social insurances were also on debate.

Deputy Prime Minister Phan Van Khai attended the opening session and briefed on the implementation of the country's socio-economic development plan in the first half of this year and measures to be taken to achieve targets set for the whole year.

SRV: Solar Power Station Commissioned in Khanh Hoa

BK1808123696 Ho Chi Minh City SAIGON GIAI
PHONG in Vietnamese 6 Aug 96 p 4

[Report by Huyen Dang]

[FBIS Translated Text] In the framework of a solar energy development program to build small-size hydroelectric power projects that would benefit mountain regions having no access to the national power grid and lacking water sources, the Ho Chi Minh City Physics Sub-Institute in January 1996 coordinated with the Khanh Hoa Province Science, Technology, and Environment Service in installing a solar energy-operated power station at Ba Cum Nam Village, Khanh Son District, Khanh Hoa Province. The project was completed in late June and required an investment capital of 180 million dong, of which 80 million dong was provided by France's Energy Organization. The station has a 900-watt capacity. The commission of this solar energy-operated power station has contributed to improving the local people's spiritual life.

SRV: Can Tho Province Signs Contract To Build Oil Refinery

BK1908073996 Hanoi VNA in English
0611 GMT 19 Aug 96

[FBIS Transcribed Text] Hanoi VNA August 19 - A contract has been recently signed in the southern province of Can Tho to build an oil refinery, the first for the Mekong River Delta.

The project is a joint venture between the province's agricultural produce and fodder import-export company (CATACO) and three Taiwanese partners: The Taiwanese Oil Co., Yi Jinn Industrial Ltd. and the Technical Consultant Co.

If approved, the plant will be Vietnam's second oil refinery, with the first and largest to be built at Dung Quat in the central coastal province of Quang Ngai under the approved license.

The Vietnamese partner will have a 30 percent stake in the more than \$35 million joint venture.

The factory, to be located in O-Mon district about 120 km south-west of Ho Chi Minh city, is expected to produce 48,000 tonnes of lubricants, 2,000 tonnes of grease, 100,000 tonnes of liquefied petroleum gas, and 100,000 tonnes of bitumen annually.

Since the beginning of this year, more than 100 foreign missions have visited Can Tho, which is the site of foreign-invested projects worth about \$160 million. The

projects include a joint venture with South Korean partners to build a plant capable of turning out 120,000 tonnes of rolled steel a year.

The province also signed a project on post-harvest food preservation with Denmark.

In addition, the province has been granted \$13.4 million in official development assistance for three other projects.

SRV: Increase in Rural Areas' Access to Electricity Reported

*BK2008063096 Hanoi Voice of Vietnam in English
1000 GMT 19 Aug 96*

[FBIS Transcribed Text] Over 400 districts nationwide or 90 percent of the nation's rural area are connected to the national 500-kilovolt power grid. Almost all mainland districts now have access to electricity. The power industry aims to provide all districts with electricity by the year 2000.

Australia

Australia: 'Military Policy,' 'Spending' With New Zealand Viewed

BK1708152396 Sydney THE SYDNEY MORNING HERALD in English 17 Aug 96

[Report by David Barber, correspondent in Wellington — received via Internet]

[FBIS Transcribed Text] Australia and New Zealand may be heading for a major clash next year over military policy and spending, according to analysts here.

The Howard government has moved to step up security ties and military exercises with the United States, while Washington continues to give anti-nuclear New Zealand the cold shoulder.

The likely prospect of a new coalition government in New Zealand is bound to produce pressure to cut military spending and reduce Wellington's commitment to strategic alliances while maintaining the anti-nuclear policy.

Analysts have been surprised by the tone of last month's Australian-U.S. ministerial talks and the resulting joint security declaration, which they see as smacking of Cold War rhetoric and fears of a future threat from China which New Zealand does not share.

They are concerned that the Australian-U.S. alliance will put stress on the trans-Tasman relationship, leading to demands on New Zealand for military spending it cannot afford to combat an enemy it cannot see.

"The Australian Government has been out of office 13 years and it's not experienced in Asia," said the director of the Centre for Strategic Studies in Wellington, Mr Terence O'Brien. "It's come back with a slightly Cold War mentality and is readily buying into American security concerns about China. We should make it quite clear we do not accept these pessimistic strategic visions."

Dr Rod Alley, political scientist at Victoria University in Wellington, describes the Australian-U.S. talks as marking a quantum leap in the two countries' security relationship, and asks how long the trans-Tasman relationship can remain tenable as Australia upgrades equipment and military exercises with the U.S., while New Zealand is excluded.

The U.S. stripped New Zealand of ally status and suspended its membership of ANZUS (Australia, New Zealand, and United States) in 1986. Although diplomatic relations have improved, Washington refuses to restore military links while New Zealand bans visits by nuclear-powered warships.

Canberra insists the rift is a matter for Wellington and Washington to resolve, but would like New Zealand back in the alliance. Australia maintains close defence ties with New Zealand, but faces heavy additional costs in mounting separate military exercises with both countries.

The Australian minister for defence, Mr McLachlan, made it clear on his first visit to Wellington in April that the Coalition Government expected New Zealand to pay its way in the trans-Tasman defence relationship. New Zealand has cut its military budget by 37 per cent since 1989 to about 1.4 per cent of gross domestic product, compared with Australia's 2.1 per cent. The crunch will come next year, when New Zealand must decide whether to take up an option to buy two more of the Anzac frigates being built at Williamstown, Victoria. New Zealand's initial purchase of two of the warships was bitterly contested and opposition parties are against buying more, saying the money should be spent on health and social welfare.

Mr McLachlan signalled Canberra's hope of getting the repeat order, but even the ruling National Party here, which is more disposed towards maintaining security alliances than any other, is divided on the issue.

Australia: Fischer: Long Thuan Anniversary Improves Hanoi Relations

BK1908163096 Melbourne Radio Australia in English 0630 GMT 19 Aug 96

[From the "Pacific Beat" program]

[FBIS Transcribed Text] Australia's deputy prime minister, Tim Fischer, claims the weekend ceremony in Vietnam to mark the 30th anniversary of the battle of Long Thuan is a breakthrough in relations between Canberra and Hanoi. Mr. Fischer was one of the loudest critics of former Prime Minister Paul Keating when Mr. Keating failed to make a significant gesture to Australian veterans on a visit to Vietnam in 1994. As Peter Meyers reports, the media was barred from covering Mr. Fischer's own visit to the former battle site.

[Begin recording] [Meyers] Mr. Fischer made an early morning trip to the Long Thuan site yesterday before joining Veterans' Affairs Minister Bruce Scott in a remembrance ceremony at the former Australian base of Nui Dat. The Vietnamese Government made clear that it didn't want any media to witness his pilgrimage to the battle ground. In a briefing with disgruntled journalists, Mr. Fischer defended Hanoi's restriction claiming anything else might have put future access to the site at risk for other veterans.

[Fischer] Truly it was the first, and in a sense absolute, priority associated with the particular visitation. I make no apology and neither does, I am sure, my colleague Bruce Scott, in respect to what was achieved. It will be selfish for either the media or myself to do anything which would jeopardize future visits.

[Meyers] What does this situation say about the relationship between Australia and Vietnam, when the deputy prime minister of Australia comes to this country on official visit and the true circumstances and proceedings of his visit have to be reported back in Australia.

[Fischer] Not at all. I am going as a pilot who had been through a battle which I was not a direct participant and quite deliberately as my choice, quite apart from that of whatever the jurisdiction might allow because it would be, I believe, an encroachment of an unacceptable crime for me to do otherwise. [sentence as heard]

[Meyers] Tim Fischer acknowledged lack of sensitivity around the anniversary. Australia lost 18 men at Long Thuan; Vietnam at least 250, some from villages nearby. At the time of yesterday's remembrance ceremony at the Nui Dat base, there is something unparalleled since the end of the war in 1975, far more than the United States has ever come close to achieving for its veterans. [sentence as heard]

[Fischer] Every effort has been made with regard to these arrangements, and I represent a good deal more than what was envisaged even a few short weeks ago; that, of course, represents far more than [words indistinct]. [end recording]

Australia: Coalition's Desire To Sell Uranium to Taiwan Viewed

BK1808074296 Sydney THE SYDNEY MORNING HERALD in English 17 Aug 96

[Analysis] by Craig Skahan — received via Internet]

[FBIS Transcribed Text] There has been a suggestion around for some years that Australia could follow the example of Canada and sell uranium to the United States for enrichment and onward sale to Taiwan under a bilateral safeguards agreement.

However, because some of the linkages under which Taiwan agrees to inspections by the International Atomic Energy Agency are informal, there is a legal minefield for nations wishing to maintain treaty obligations.

A central problem is that Taiwan diplomatically by most of the world, out of deference to a One China policy which Beijing regards Taiwan as a

A departmental submission seen by the *MORNING HERALD*, and signed year by then Foreign Affairs Minister Evans, accepted an option to "leave" regarding sales to Taiwan.

However, Senator Evans wrote a note option allowing officials "actively to finalising draft arrangements for the Taiwan" should be subjected to further the then trade minister, Senator Bob

A letter was subsequently sent to companies, including Energy Resources Australia (ERA), stating that "for the time being be taken to institute arrangements uranium to Taiwan".

"It [the Labor Government] has not reached any in-principle decision proceed further with discussion with the Governments in regard to negotiating guards arrangements.

"An issue of central concern in this to satisfy ourselves that any arrangement would provide a fully satisfactory consistent with current policy and proliferation obligations.

"The government is, nevertheless, commercial interests involved and in continuing interest in the Taiwan energy keep the prospect of future uranium under close review."

The Labor Government at the time was accusations that it was too soft diplomatically the resumption of French nuclear tests.

Clearly, it saw the financial advantage uranium to Taiwan's nuclear power mounting a strong case that it was safeguards obligations.

It seems clear the Coalition is more barriers to help secure supply contracts companies.

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